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PART IV.

Legislative Measures and Rules thereunder.

NOTIFICATION.

No. 2835—L. C., Bangalore, dated 14th December 1937.

Under Rule 8 of the rules for the conduct of business of the Mysore Legislative Council, the accompanying Bill to consolidate and amend the Law relating to Trading Companies and other Associations is published for general information with the statement of objects and reasons.

By Order,
A. SUNDARARAJA RAO,
Secretary,
Mysore Legislative Council.

BILL TO CONSOLIDATE AND AMEND THE LAW RELATING TO TRADING COMPANIES AND OTHER ASSOCIATIONS.

Whereas it is expedient to consolidate and amend the law relating to Trading Companies and other Associations; It is hereby enacted as follows :—

PART I.

PRELIMINARY.

Short title, commencement and extent.

1. (1) This Regulation may be called the Mysore Companies Regulation, 19 .

(2) It shall come into force on the first day of.....

.....

(3) It extends to the whole of Mysore.

Definitions.

2. (1) In this Regulation unless there is anything repugnant in the subject or context,—

(*1*) "articles" means the articles of association of a company as originally framed or as altered by special resolution, including, so far as they apply to the company, the regulations contained in Table A in the First Schedule annexed to the Mysore Companies Regulation, 1895, or in Table A in the First Schedule annexed to the Mysore Companies Regulation, 1917, or in Table A in the First Schedule annexed to this Regulation :

(*2*) "company" means a company formed and registered under this Regulation or an existing company :

(*3*) "the Court" means the Court having jurisdiction under this Regulation :

(*4*) "debenture" includes debenture stock :

(*5*) "director" includes any person occupying the position of a director by whatever name called :

(*6*) "District Court" means the principal Civil Court of original jurisdiction in a district :

(*7*) "existing company" means a company formed and registered under the Indian Companies Act, 1866, or

under the Mysore Companies Regulation, 1895, or under the Mysore Companies Regulation, 1917:

(*7A*) "the Indian Companies Act, 1866," means Act X of 1866 as extended to Mysore:

(*8*) "Insurance company" means a company that carries on the business of insurance either solely or in common with any other business or businesses:

(*9*) "manager" means a person who, subject to the control and direction of the directors, has the management of the whole affairs of a company, and includes a director or any other person occupying the position of a manager by whatever name called and whether under a contract of service or not:

(*9A*) "managing agent" means a person, firm or company entitled to the management of the whole affairs of a company by virtue of an agreement with the company, and under the control and direction of the directors except to the extent, if any, otherwise provided for in the agreement, and includes any person, firm or company occupying such position by whatever name called:

Explanation.—If a person occupying the position of a managing agent calls himself a manager he shall nevertheless be regarded as managing agent and not as manager for the purposes of this Regulation.

(*10*) "memorandum" means the memorandum of association of a company as originally framed or as altered in pursuance of the provisions of this Regulation:

(*11*) "officer" includes any director, managing agent, manager or secretary but, save in sections 235, 236 and 237, does not include an auditor:

(*12*) "prescribed" means, as respects the provisions of this Regulation relating to the winding up of companies, prescribed by rules made by the High Court, and, as respects the other provisions of this Regulation, prescribed by the Government:

(*13*) "private company" means a company which by its articles—

(*a*) restricts the right to transfer the shares, if any; and

(*b*) limits the number of its members to fifty not including persons who are in the employment of the company; and

(*c*) prohibits any invitation to the public to subscribe for the shares, if any, or debentures of the company:

12

Provided that where two or more persons hold one or more shares in a company jointly they shall, for the purposes of this definition, be treated as a single member:

(*13A*) "public company" means a company incorporated under this Regulation or under the Mysore Companies Regulation, 1917, or under the Mysore Companies Regulation, 1895, or under the Indian Companies Act, 1866, which is not a private company:

(*14*) "prospectus" means any prospectus, notice, circular, advertisement or other invitation, offering to the public for subscription or purchase any shares or debentures of a company, but shall not include any trade advertisement which shows on the face of it that a formal prospectus has been prepared and filed:

(*15*) "the registrar" means a registrar or assistant registrar performing under this Regulation the duty of registration of companies: and

(*16*) "share" means share in the share capital of the company, and includes stock except when a distinction between stock and shares is expressed or implied.

(2) Where the assets of a company consist in whole or in part of shares in another company, whether held directly or through a nominee and whether that other company is a company within the meaning of this Regulation or not, and

(*a*) the amount of the shares so held is at the time when the accounts of the holding company are made up more than fifty per cent of the issued share capital of that other company or such as to entitle the company to more than fifty per cent of the voting power in that other company, or

(*b*) the company has power (not being power vested in it by virtue only of the provisions of a debenture trust deed or by virtue of shares issued to it for the purpose in pursuance of those provisions) directly or indirectly to appoint the majority of the directors of that other company,

that other company shall be deemed to be a subsidiary company within the meaning of this Regulation, and the expression 'subsidiary company' in this Regulation means a company in the case of which the conditions of this sub-section are satisfied and includes a subsidiary company of such company:

Provided that where a company the ordinary business of which includes the lending of money, holds shares in another company as security only, no account shall, for the purpose of determining under this section whether that other company is a subsidiary company, be taken of the shares so held.

Jurisdiction of the Courts.

3. (1) The Court having jurisdiction under this Regulation shall be the High Court:

Provided that the Government may, by notification in the Official Gazette and subject to such restrictions and conditions as it thinks fit, empower any District Court to exercise all or any of the jurisdiction by this Regulation conferred upon the Court, and in that case such District Court shall, as regards the jurisdiction so conferred, be the Court in respect of all companies having their registered offices in the district.

(2) For the purposes of jurisdiction to wind up companies, the expression 'registered office' means the place which has longest been the registered office of the company during the six months immediately preceding the presentation of the petition for winding up.

(3) Nothing in this section shall invalidate a proceeding by reason of its being taken in a wrong Court.

PART II.

CONSTITUTION AND INCORPORATION.

Prohibition of partnerships exceeding certain number.

4. (1) No company, association or partnership consisting of more than ten persons shall be formed for the purpose of carrying on the business of banking unless it is registered as a company under this Regulation.

(2) No company, association or partnership consisting of more than twenty persons shall be formed for the purpose of carrying on any other business that has for its object the acquisition of gain by the company, association or partnership, or by the individual members thereof, unless it is registered as a company under this Regulation.

(3) This section shall not apply to a joint family carrying on joint family trade or business and where two or more such joint families form a partnership, in computing the number of persons for the purposes of this section, minor members of such families shall be excluded.

(4) Every member of a company, association or partnership carrying on business in contravention of this section shall be personally liable for all liabilities incurred in such business.

(5) Any person who is a member of a company, association or partnership formed in contravention of this section shall be punishable with fine not exceeding one thousand rupees.

MEMORANDUM OF ASSOCIATION.

Mode of forming incorporated company.

5. Any seven or more persons (or, where the company to be formed will be a private company, any two or more persons) associated for any lawful purpose may, by subscribing their names to a memorandum of association and otherwise complying with the requirements of this Regulation in respect of registration, form an incorporated company, with or without limited liability (that is to say), either—

(*i*) a company having the liability of its members limited by the memorandum to the amount, if any, unpaid on the shares respectively held by them (in this Regulation termed a company limited by shares); or

(*ii*) a company having the liability of its members limited by the memorandum to such amount as the members may respectively thereby undertake to contribute to the assets of the company in the event of its being wound up (in this Regulation termed a company limited by guarantee); or

(*iii*) a company not having any limit on the liability of its members (in this Regulation termed an unlimited company).

Memorandum of company limited by shares.

6. In the case of a company limited by shares—

(1) the memorandum shall state—

(*i*) the name of the company, with "Limited" as the last word in its name;

(*ii*) the objects of the company;

(*iii*) that the liability of the members is limited;

(*iv*) the amount of share capital with which the company proposes to be registered, and the division thereof into shares of a fixed amount:

(2) no subscriber of the memorandum shall take less than one share:

(3) each subscriber shall write opposite to his name the number of shares he takes.

Memorandum of company limited by guarantee.

7. In the case of a company limited by guarantee—

(1) the memorandum shall state—

(*i*) the name of the company, with "Limited" as the last word in its name;

(*ii*) the objects of the company;

(*iii*) that the liability of the members is limited;

(*iv*) that each member undertakes to contribute to the assets of the company in the event of its being wound up while he is a member, or within one year afterwards, for payment of the debts and liabilities of the company contracted before he ceases to be a member, and of the costs, charges and expenses of winding up, and for adjustment of the rights of the contributories among themselves, such amount as may be required, not exceeding a specified amount:

(2) if the company has a share capital—

(*i*) the memorandum shall also state the amount of share capital with which the company proposes to be registered and the division thereof into shares of a fixed amount;

(*ii*) no subscriber of the memorandum shall take less than one share;

(*iii*) each subscriber shall write opposite to his name the number of shares he takes.

Memorandum of unlimited company.

8. In the case of an unlimited company—

(1) the memorandum shall state—

(*i*) the name of the company;

(*ii*) the objects of the company;

(2) if the company has a share capital—

(*i*) no subscriber of the memorandum shall take less than one share;

(*ii*) each subscriber shall write opposite to his name the number of shares he takes.

Printing and signature of memorandum.

9. The memorandum shall—

(*a*) be printed,

(*b*) be divided into paragraphs numbered consecutively, and

(*c*) be signed by each subscriber (who shall add his address and description) in the presence of at least one witness who shall attest the signature.

Restriction on alteration of memorandum.

10. A company shall not alter the conditions contained in its memorandum except in the cases and in the

mode and to the extent for which express provision is made in this Regulation:

Provided that any provision in the memorandum relating to the appointment of a manager or managing agent and other matters of a like nature incidental or subsidiary to the main objects of the company, shall not be deemed to be such condition.

Name of company and change of name.

11. (1) A company shall not be registered by a name identical with that by which a company in existence is already registered, or so nearly resembling that name as to be calculated to deceive, except where the company in existence is in the course of being dissolved and signifies its consent in such manner as the registrar requires.

(2) If a company, through inadvertence or otherwise, is, without such consent as aforesaid, registered by a name identical with that by which a company in existence is previously registered, or so nearly resembling it as to be calculated to deceive, the first-mentioned company may, with the sanction of the registrar, change its name.

(3) Except with the previous consent of the Government given in writing under the hand of one of the Secretaries to the Government no company shall be registered by a name which—

(*a*) contains any of the following words, namely, "Maharaja," "Royal," "State," "Mysore" or any word which suggests or is calculated to suggest the patronage of His Highness the Maharaja or any connection with His Highness's Government; or

(*b*) contains the word "Municipal" or any word which suggests or is calculated to suggest connection with any municipality or other local authority:

Provided that, notwithstanding anything contained in Section 290, the Government may, at any time, after serving a notice in writing giving reasons and after hearing objections, if any, thereto, pass an order requiring any company registered either before or after the passing of this Regulation under any enactment for the time being in force, with a name containing such words, to alter or omit those words, within a period of three months from the date on which the order is communicated to the company.

(4) Any company may, by special resolution and subject to the approval of the Government signified in

writing, under the hand of one of the Secretaries to the Government, change its name.

(5) Where a company changes its name, the registrar shall enter the new name on the register in place of the former name, and shall issue a certificate of incorporation altered to meet the circumstances of the case. On the issue of such a certificate, the change of name shall be complete.

(6) The change of name shall not affect any rights or obligations of the company or render defective any legal proceeding by or against the company; and any legal proceedings that might have been continued or commenced against it by its former name may be continued or commenced against it by its new name.

Alteration of memorandum.

12. (1) Subject to the provisions of this Regulation, a company may, by special resolution, alter the provisions of its memorandum with respect to the objects of the company, so far as may be required to enable it—

(*a*) to carry on its business more economically or more efficiently; or

(*b*) to attain its main purpose by new or improved means; or

(*c*) to enlarge or change the local area of its operations; or

(*d*) to carry on some business which under existing circumstances may conveniently or advantageously be combined with the business of the company; or

(*e*) to restrict or abandon any of the objects specified in the memorandum; or

(*f*) to sell or dispose of the whole or any part of the undertaking of the company; or

(*g*) to amalgamate with any other company or body of persons.

(2) The alteration shall not take effect until and except in so far as it is confirmed by the Court on petition.

(3) Before confirming the alteration, the Court must be satisfied—

(*a*) that sufficient notice has been given to every holder of debentures of the company, and to any persons or class of persons whose interests will, in the opinion of the Court, be affected by the alteration; and

(*b*) that, with respect to every creditor who in the opinion of the Court is entitled to

object, and who signifies his objection in manner directed by the Court, either his consent to the alteration has been obtained or his debt or claim has been discharged or has determined, or has been secured to the satisfaction of the Court:

Provided that the Court may, in the case of any person or class, for special reasons, dispense with the notice required by this section.

13. The Court may make an order confirming the alteration either wholly or in part, and on such terms and conditions as it thinks fit, and may make such order as to costs as it thinks proper. Power of Court when confirming alteration.

14. The Court shall, in exercising its discretion under sections 12 and 13, have regard to the rights and interests of the members of the company or of any class of them, as well as to the rights and interest of the creditors, and may, if it thinks fit, adjourn the proceedings in order that an arrangement may be made to the satisfaction of the Court for the purchase of the interests of dissentient members; and may give such directions and make such orders as it may think expedient for facilitating or carrying into effect any such arrangement: Exercise of discretion by Court.

Provided that no part of the capital of the company may be expended in any such purchase.

15. (1) A certified copy of the order confirming the alteration, together with a printed copy of the memorandum as altered, shall, within three months from the date of the order, be filed by the company with the registrar, and he shall register the same, and shall certify the registration under his hand, and the certificate shall be conclusive evidence that all the requirements of this Regulation with respect to the alteration and the confirmation thereof have been complied with, and thenceforth the memorandum so altered shall be the memorandum of the company. Procedure on confirmation of the alteration.

(2) The Court may by order at any time extend the time for the filing of documents with the registrar under this section for such period as the Court thinks proper.

16. No such alteration shall have any operation until registration thereof has been duly effected in accordance with the provisions of section 15, and if such registration is not effected within three months next after the date of the order of the Court confirming the alteration, or within such further time as may be allowed by the Court in Effect of failure to register within three months.

accordance with the provisions of section 15, such alteration and order and all proceedings connected therewith shall, at the expiration of such period of three months or such further time, as the case may be, become absolutely null and void:

Provided that the Court may, on sufficient cause shown, revive the order on application made within a further period of one month.

ARTICLES OF ASSOCIATION.

Registration of articles.

17. (1) There may, in the case of a company limited by shares, and there shall, in the case of a company limited by guarantee or unlimited, be registered with the memorandum, articles of association signed by the subscribers to the memorandum and prescribing regulations for the company.

(2) Articles of association may adopt all or any of the regulations contained in Table A in the First Schedule and shall in any event be deemed to contain regulations identical with or to the same effect as regulation 56, regulation 66, regulation 71, regulations 78, 79, 80, 81 and 82, regulation 95, regulation 97, regulation 105, regulation 107, and regulations 112, 113, 114, 115 and 116 contained in that Table:

Provided that regulation 78 shall not be deemed to be included in the articles of any private company except a private company which is the subsidiary company of a public company:

Provided further that regulation 107 shall be deemed to require that a statement of the reasons why of the whole amount of any item of expenditure which may in fairness be distributed over several years, only a portion thereof is charged against the income of the year, shall be shown in the profit and loss account, unless the company in general meeting shall determine otherwise.

(3) In the case of an unlimited company or a company limited by guarantee, the articles, if the company has a share capital, shall state the amount of share capital with which the company proposes to be registered.

(4) In the case of an unlimited company or a company limited by guarantee, if the company has not a share capital, the articles shall state the number of members with which the company proposes to be registered, for the purpose of enabling the registrar to determine the fees payable on registration.

18. In the case of a company limited by shares and registered after the commencement of this Regulation, if articles are not registered, or, if articles are registered, in so far as the articles do not exclude or modify the regulations in table A in the First Schedule, those regulations shall, so far as applicable, be the regulations of the company in the same manner and to the same extent as if they were contained in duly registered articles. Application of Table A.

19. Articles shall— Form and signature of articles.

(*a*) be printed;

(*b*) be divided into paragraphs numbered consecutively; and

(*c*) be signed by each subscriber of the memorandum (who shall add his address and description) of association in the presence of at least one witness who must attest the signature.

20. Subject to the provisions of this Regulation and to the conditions contained in its memorandum, a company may by special resolution alter or add to its articles; and any alteration or addition so made shall be as valid as if originally contained in the articles, and be subject in like manner to alteration by special resolution. Alteration of articles by special resolution.

20A. Notwithstanding anything in the memorandum or articles of a company, no member of the company shall be bound by an alteration made in the memorandum or articles after the date on which he became a member if and so far as the alteration requires him to take or subscribe for more shares than the number held by him at the date on which the alteration is made, or in any way increases his liability as at that date to contribute to the share capital of, or otherwise to pay money to, the company: Effect of alteration in memorandum or articles.

Provided that this section shall not apply in any case where the member agrees in writing either before or after the alteration is made to be bound thereby.

General Provisions.

21. (1) The memorandum and articles shall, when registered, bind the company and the members thereof to the same extent as if they respectively had been signed by each member and contained a covenant on the part of each member, his heirs, and legal representatives, to observe all the provisions of the memorandum and of the articles, subject to the provisions of this Regulation. Effect of memorandum and articles.

(2) All money payable by any member to the company under the memorandum or articles shall be a debt due from him to the company.

Registration of memorandum and articles.

22. The memorandum and the articles (if any), shall be filed with the registrar who shall retain and register them.

Effect of registration.

23. (1) On the registration of the memorandum of a company, the registrar shall certify under his hand that the company is incorporated, and in the case of a limited company that the company is limited.

(2) From the date of incorporation mentioned in the certificate of incorporation, the subscribers of the memorandum, together with such other persons as may from time to time become members of the company, shall be a body corporate by the name contained in the memorandum, capable forthwith of exercising all the functions of an incorporated company, and having perpetual succession and a common seal, but with such liability on the part of the members to contribute to the assets of the company in the event of its being wound up as is mentioned in this Regulation.

Conclusiveness of certificate of incorporation.

24. (1) A certificate of incorporation given by the registrar in respect of any association shall be conclusive evidence that all the requirements of this Regulation in respect of registration and of matters precedent and incidental thereto have been complied with, and that the association is a company authorised to be registered and duly registered under this Regulation.

(2) A declaration by an advocate, entitled to appear before the High Court who is engaged in the formation of a company, or by a person named in the articles as a director, manager or secretary of the company, of compliance with all or any of the said requirements shall be filed with the registrar, and the registrar may accept such a declaration as sufficient evidence of compliance.

Copies of memorandum and articles to members.

25. (1) Every company shall send to every member, at his request and within fourteen days thereof, on payment of one rupee or such less sum as the company may prescribe, a copy of the memorandum and of the articles (if any).

(2) If a company makes default in complying with the requirements of this section, it shall be liable for each offence to a fine not exceeding ten rupees.

25A. (1) Where an alteration is made in the memorandum or articles of a company, every copy of the memorandum or articles issued after the date of the alteration shall be in accordance with the alteration.

Alteration of memorandum or articles to be noted in every copy.

(2) If, where any such alteration has been made, the company at any time after the date of the alteration issues any copies of the memorandum or articles which are not in accordance with the alteration, it shall be liable to a fine not exceeding ten rupees for each copy so issued and every officer of the company who is knowingly and wilfully in default shall be liable to the like penalty.

ASSOCIATIONS NOT FOR PROFIT.

26. (1) Where it is proved to the satisfaction of the Government that an association capable of being formed as a limited company has been or is about to be formed for promoting commerce, art, science, charity or any other useful object, and applies or intends to apply its profits (if any) or other income in promoting its objects, and to prohibit the payment of any dividend to its members, the Government may, by license under the hand of one of its secretaries, direct that the association be registered as a company with limited liability, without the addition of the word "Limited" to its name, and the association may be registered accordingly.

Power to dispense with "Limited" in name of charitable and other companies.

(2) A license by the Government under this section may be granted on such conditions and subject to such regulations as the Government thinks fit, and those conditions and regulations shall be binding on the association, and shall, if the Government so directs, be inserted in the memorandum and articles, or in one of those documents.

(3) The association shall on registration enjoy all the privileges of limited companies, and be subject to all their obligations, except those of using the word "Limited" as any part of its name, and of publishing its name, and of sending lists of members to the registrar.

(4) A license under this section may at any time be revoked by the Government, and upon revocation the registrar shall enter the word "Limited" at the end of the name of the association upon the register, and the association shall cease to enjoy the exemptions and privileges granted by this section;

Provided that, before a license is so revoked, the Government shall give to the association notice in

writing of its intention, and shall afford the association an opportunity of submitting a representation in opposition to the revocation.

COMPANIES LIMITED BY GUARANTEE.

Provision as to companies limited by guarantee.

27. (1) In the case of a company limited by guarantee and not having a share capital, and registered after the commencement of this Regulation, every provision in the memorandum or articles or in any resolution of the company purporting to give any person a right to participate in the divisible profits of the company otherwise than as a member shall be void.

(2) For the purpose of the provisions of this Regulation relating to the memorandum of a company limited by guarantee and of this section, every provision in the memorandum or articles, or in any resolution, of any company limited by guarantee and registered after the commencement of this Regulation, purporting to divide the undertaking of the company into shares or interests, shall be treated as a provision for a share capital, notwithstanding that the nominal amount of number of the shares or interests is not specified thereby.

PART III.

Share Capital, Registration of Unlimited Company as Limited, and Unlimited Liability of Directors.

DISTRIBUTION OF SHARE CAPITAL.

Nature of shares.

28. (1) The shares or other interest of any member in a company shall be moveable property, transferable in manner provided by the articles of the company.

(2) Each share in a company having a share capital shall be distinguished by its appropriate number.

Certificate of shares or stock.

29. A certificate, under the common seal of the company, specifying any shares or stock held by any member, shall be *prima facie* evidence of the title of the member to the shares or stock therein specified.

Definition of "member."

30. (1) The subscribers of the memorandum of a company shall be deemed to have agreed to become members of the company, and on its registration shall be entered as members in its register of members.

(2) Every other person who agrees to become a member of a company and whose name is entered in its register of members, shall be a member of the company.

31. (1) Every company shall keep in one or more books a register of its members, and enter therein the following particulars:— Register of members.

(*i*) the names and addresses, and the occupations, if any, of the members, and, in the case of a company having a share capital, a statement of the shares held by each member, distinguishing each share by its number, and of the amount paid or agreed to be considered as paid on the shares of each member;

(*ii*) the date at which each person was entered in the register as a member;

(*iii*) the date at which any person ceased to be a member.

(2) If a company makes default in complying with the requirements of this section, it shall be liable to a fine not exceeding fifty rupees for every day during which the default continues; and every officer of the company who knowingly and wilfully authorises or permits the default shall be liable to the like penalty.

31A. (1) Every company having more than fifty members shall, unless the register of members is in such a form as to constitute in itself an index, keep an index of the names of the members of the company and shall within fourteen days after the date on which any alteration is made in the register of members make any necessary alteration in the index. Index of members of company.

(2) The index, which may be in the form of a card index, shall in respect of each member contain a sufficient indication to enable the account of that member in the register to be readily found.

(3) If default is made in complying with this section, the company and every officer of the company who is knowingly and wilfully in default shall be liable to a fine not exceeding fifty rupees.

32. (1) Every company having a share capital shall within eighteen months from its incorporation and thereafter once at least in every year make a list of all persons who, on the day of the first or only ordinary general meeting in the year, are members of the company, and of all persons who have ceased to be members since the date of the last return or (in the case of the first return) of the incorporation of the company. Annual list of members and summary.

(2) The list shall state the names, addresses, and occupations of all the past and present members therein mentioned, and the number of shares held by each of the existing members at the date of the return, specifying shares transferred since the date of the last return or (in the case of the first return) of the incorporation of the company by persons who are still members and persons who have ceased to be members respectively and the dates of registration of the transfers, and shall contain a summary distinguishing between shares issued for cash and shares issued as fully or partly paid up otherwise than in cash, and specifying the following particulars:—

(*a*) the amount of the share capital of the company, and the number of the shares into which it is divided;

(*b*) the number of shares taken from the commencement of the company up to the date of the return;

(*c*) the amount called upon each share;

(*d*) the total amount of calls received;

(*e*) the total amount of calls unpaid;

(*f*) the total amount of the sums (if any) paid by way of commission in respect of any shares or debentures, or allowed by way of discount in respect of any shares or debentures, since the date of the last return or so much thereof as has not been written off at the date of the return;

(*g*) the total number ef shares forfeited;

(*h*) the total amount of shares or stock for which share-warrants are outstanding at the date of the return;

(*i*) the total amount of share-warrants issued and surrendered respectively since the date of the last return;

(*j*) the number of shares or amount of stock comprised in each share-warrant;

(*k*) the names and addresses of the persons who at the date of the return are the directors of the company and of the persons (if any) who at the said date are the managers or managing agents of the company, and the changes in the personnel of the directors, managers and managing agents since the

last return together with the dates on which they took place; and

(*l*) the total amount of debt due from the company in respect of all mortgages and charges which are required to be registered with the registrar under this Regulation.

(3) The above list and summary shall be contained in a separate part of the register of members and shall be completed within twenty-one days after the day of the first or only ordinary general meeting in the year, and the company shall forthwith file with the registrar a copy signed by a director or by the manager or the secretary of the company, together with the certificate from such director, manager or secretary that the list and summary state the facts as they stood on the day aforesaid.

(4) A private company shall send with the annual return required by sub-section (1) a certificate signed by a director or other officer of the company that the company has not, since the date of the last return or, in the case of a first return, since the date of the incorporation of the company, issued any invitation to the public to subscribe for any shares or debentures of the company, and where the annual return discloses the fact that the number of members of the company exceeds fifty, also a certificate so signed that the excess consists wholly of persons who under sub-clause (*b*) of clause 13 of sub-section (1) of section 2 are not to be included in reckoning the number of fifty.

(5) If a company makes default in complying with the requirements of this section, it shall be liable to a fine not exceeding fifty rupees for every day during which the default continues, and every officer of the company who knowingly and wilfully authorises or permits the default shall be liable to the like penalty.

Trusts not to be entered on register.

33. No notice of any trust, expressed, implied or constructive, shall be entered on the register, or be receivable by the registrar.

Transfer of shares.

34. (1) An application for the registration of the transfer of shares in a company may be made either by the transferor or the transferee, provided that where such application is made by the transferor no registration shall in the case of partly paid shares be effected unless the company gives notice of the application to the transferee and subject to the provisions of sub-section (4) the company shall, unless objection is made by the transferee

within two weeks from the date of receipt of the notice, enter in its register of members the name of the transferee in the same manner and subject to the same conditions as if the application for registration was made by the transferee.

(2) For the purposes of sub-section (1) notice to the transferee shall be deemed to have been duly given if despatched by prepaid post to the transferee at the address given in the instrument of transfer and shall be deemed to have been delivered in the ordinary course of post.

(3) It shall not be lawful for the company to register a transfer of shares in or debentures of the company unless the proper instrument of transfer duly stamped and executed by the transferor and the transferee has been delivered to the company along with the scrip:

Provided that, where it is proved to the satisfaction of the directors of the company that an instrument of transfer signed by the transferor and transferee has been lost, the company may, if the directors think fit, on an application in writing made by the transferee and bearing the stamp required by an instrument of transfer, register the transfer on such terms as to idemnity as the directors may think fit.

(4) If a company refuses to register the tsansfer of any shares on debentures, the company shall, within two months from the date on which the instrument of transfer was lodged with the company, send to the transferee and the transferor notice of the refusal.

(5) If default is made in complying with sub-section (4) of this section, the company and every director, manager, secretary or other officer of the company who is knowingly a party to the default shall be liable to a fine not exceeding fifty rupees for every day during which the default continues.

(6) Noting in sub-section (3) shall prejudice any power of the company to register as share-holder or debenture-holder any person to whom the right to any shares in or debentures of the company has been transmitted by operation of law.

(7) Nothing in this section shall prejudice any power of the company under its articles to refuse to register the transfer of any shares.

Transfer by legal representative.

35. A transfer of the share or other interest of a deceased member of a company made by his legal representative shall, although the legal representative is not

himself a member, be as valid as if he had been a member at the time of the execution of the instrument of transfer.

Inspection of register of members.

36. (1) The register of members, commencing from the date of the registration of the company and the index of members shall be kept at the registered office of the company, and, except when closed under the provisions of this Regulation, shall during business hours (subject to such reasonable restrictions, as the company in general meeting may impose, so that not less than two hours in each day be allowed for inspection) be open to the inspection of any member gratis, and to the inspection of any other person on payment of one rupee, or such less sum as the company may prescribe, for each inspection. Any such member or other person may make extracts therefrom.

(2) Any member or other person may require a copy of the register, or of any part thereof, or of the list and summary required by this Regulation, or any part thereof, on payment of six annas for every hundred words or fractional part thereof required to be copied, and the company shall cause any copy so required by any person to be sent to that person within a period of ten days, exclusive of non-working days and days on which the transfer books of the company are closed, commencing on the day next after the day on which the requirement is received by the company.

(3) If any inspection required under this section is refused or if any copy required under this section is not sent within the proper period the company and every officer of the company who is in default shall be liable in respect of each offence to a fine not exceeding twenty rupees and to a further fine not exceeding twenty rupees for every day during which the refusal or default continues and the Court may by an order compel an immediate inspection of the register and index or direct that copies required shall be sent to the persons requiring them.

Power to close register.

37. A company may, on giving seven day's previous notice by advertisement in some newspaper circulating in the district in which the registered office of the company is situate, close the register of members for any time or times not exceeding in the whole forty-five days in each year, but not exceeding thirty days at a time.

Power of Court to rectify register.

38. (1) If—

(*a*) the name of any person is fraudulently or without sufficient cause entered in or omitted from the register of members of a company; or

(*b*) default is made or unnecessary delay takes place in entering on the register the fact of any person having ceased to be a member, the person aggrieved, or any member of the company, or the company, may apply to the Court for rectification of the register.

(2) The Court may either refuse the application, or may order rectification of the register and payment by the company of any damages sustained by any party aggrieved, and may make such order as to costs as it in its discretion thinks fit.

(3) On any application under this section the Court may decide any question relating to the title of any person who is a party to the application to have his name entered in or omitted from the register, whether the question arises between members or alleged members, or between members or alleged members on the one hand and the company on the other hand; and generally may decide any question necessary or expedient to be decided for rectification of the register:

Provided that the Court may direct an issue to be tried in which any question of law may be raised; and an appeal from the decision on such an issue shall lie in the manner directed by the Code of Civil Procedure, 1911, on the grounds mentioned in section 100 of that Code.

Notice to registrar of rectification of register.

39. In the case of a company required by the Regulation to file a list of its members with the registrar, the Court, when making an order for rectification of the register, shall, by its order, direct notice of the rectification to be filed with the registrar, within a fortnight from the date of the completion of the order.

Register to be evidence.

40. The register of members shall be *prima facie* evidence of any matters by this Regulation directed or authorised to be inserted therein.

Issue of share-warrants to bearer.

43. (1) A company limited by shares, if so authorised by its articles, may, with respect to any fully paid-up shares, or to stock, issue under its common seal a warrant stating that the bearer of the warrant is entitled to the shares or stock therein specified, and may provide, by coupons or otherwise, for the payment of the future

dividends on the shares or stock included in the warrant, in this Regulation termed a share-warrant.

(2) Nothing in this section shall apply to a private company.

44. A share-warrant shall entitle the bearer thereof to the shares or stock therein specified, and the shares or stock may be transferred by delivery of the warrant. Effect of share-warrant.

45. The bearer of a share-warrant shall, subject to the articles of the company, be entitled, on surrendering it for cancellation, to have his name entered as a member in the register of members; and the company shall be responsible for any loss incurred by any person by reason of the company entering in its register the name of a bearer of a share-warrant in respect of the shares or stock therein specified without the warrant being surrendered and cancelled. Registration of name of bearer of share-warrant.

46. The bearer of a share-warrant may, if the articles of the company so provide, be deemed to be a member of the company within the meaning of this Regulation, either to the full extent or for any purposes defined in the articles, except that he shall not be qualified in respect of the shares or stock specified in the warrant for being a director or manager of the company, in cases where such a qualification is required by the articles. Position of bearer of share-warrant.

47. (1) On the issue of a share-warrant, the company shall strike out of its register of members the name of the member then entered therein as holding the shares or stock specified in the warrant as if he had ceased to be a member, and shall enter in the register the following particulars, namely:— Entries in register when share-warrant issued.

(*i*) the fact of the issue of the warrant;

(*ii*) a statement of the shares or stock included in the warrant, distinguishing each share by its number; and

(*iii*) the date of the issue of the warrant.

(2) If a company makes default in complying with the requirements of this section, it shall be liable to a fine not exceeding fifty rupees for every day during which the default continues, and every officer of the company who knowingly and wilfully continues or permits the default shall be liable to the like penalty.

48. Until the warrant is surrendered, the above particulars shall be deemed to be the particulars required by this Regulation to be entered in the register of members; and, on the surrender, the date of the surrender Surrender of share-warrant

shall be entered as if it were the date at which a person ceased to be a member.

Power of company to drrange for aifferent amounts being paid on shares.

49. A company, if so authorised by its articles, may do any one or more of the following things, namely :—

(1) make arrangements on the issue of shares for a difference between the shareholders in the amounts and times of payment of calls on their shares;

(2) accept from any member who assents thereto the whole or a part of the amount remaining unpaid on any shares held by him although no part of that amount has been called up;

(3) pay dividend in proportion to the amount paid up on each share where a larger amount is paid up on some shares than on others.

Power of company limited by shares to alter its share capital.

50. (1) A company limited by shares, if so authorised by its articles, may alter the conditions of its memorandum as follows (that is to say), it may—

(*a*) increase its share capital by the issue of new shares of such amount as it thinks expedient;

(*b*) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

(*c*) convert all or any of its paid-up shares into stock and re-convert that stock into paid-up shares of any denomination;

(*d*) sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the memorandum, so however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;

(*e*) cancel shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled.

(2) The powers conferred by this section must be exercised by the company in general meeting.

(3) A cancellation of shares in pursuance of this section shall not be deemed to be a reduction of share capital within the meaning of this Regulation.

(4) The company shall file with the registrar notice of the exercise of any power referred to in clause (*d*) or clause (*e*) of sub-section (1) within fifteen days from the exercise thereof.

Notice to registrar of consolidation of share capital, conversion of share into stock, etc.

51. (1) Where a company having a share capital has consolidated and divided its share capital into shares of larger amount than its existing shares or converted any of its shares into stock, or re-converted stock into shares, it shall, within fifteen days of the consolidation and division, conversion or re-conversion, file notice with the registrar of the same, specifying the share consolidated and divided, or converted, or the stock re-converted.

(2) If a company makes default in complying with the requirements of this section, it shall be liable to a fine not exceeding fifty rupees for every day during which the default continues, and every officer of the company who knowingly and wilfully authorises or permits the default shall be liable to the like penalty.

Effect of conversion of shares into stock.

52. Where a company having a share capital has converted any of its shares into stock, and filed notice of the conversion with the registrar, all the provisions of this Regulation which are applicable to shares only shall cease as to so much of the share capital as is converted into stock; and the register of members of the company, and the list of members to be filed with the registrar, shall show the amount of stock held by each member instead of the amount of shares and the particulars relating to shares hereinbefore required by this Regulation.

Notice of increase of share capital or of members.

53. (1) Where a company having a share capital, whether its shares have or have not been converted into stock, has increased its share capital beyond the registered capital, and where a company not having a share capital has increased the number of its members beyond the registered number, it shall file with the registrar, in the case of an increase of share capital, within fifteen days after the passing of the resolution authorising the increase, and in the case of an increase of members within fifteen days after the increase was resolved on or took place, notice of the increase of capital or members, and the registrar shall record the increase.

(2) The notice to be given as aforesaid shall include particulars of the classes of shares affected and the conditions (if any) subject to which the new shares are to be issued.

(3) If a company makes a default in complying with the requirements of this section, it shall be liable to a fine not exceeding fifty rupees for every day during which the default continues, and every officer of the company who knowingly and wilfully authorises or permits the default shall be liable to the like penalty.

Reorganisation of share capital.

54. (1) A company limited by shares may, by special resolution confirmed by an order of the Court, modify the conditions contained in its memorandum so as to reorganize its share capital, whether by the consolidation of shares of different classes or by the division of its shares into shares of different classes :

Provided that no preference or special privilege attached to or belonging to any class of shares shall be interfered with except by resolution passed by a majority in number of shareholders of that class holding three-fourths of the share capital of that class, and every resolution so passed shall bind all shareholders of the class.

(2) Where an order is made under this section, a certified copy thereof shall be filed with the registrar within twenty-one days after the making of the order or within such further time as the Court may allow, and the resolution shall not take effect until such a copy has been so filed.

REDUCTION OF SHARE CAPITAL.

Restrictions on purchase by company or loans by company for purchase of its own shares.

54-A. (1) No company limited by shares shall have power to buy its own shares or the shares of a public company of which it is a subsidiary company unless the consequent reduction of capital is effected and sanctioned in the manner provided by sections 55 to 66.

(2) No company limited by shares other than a private company, not being a subsidiary company of a public company, shall give, whether directly or indirectly, and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase made or to be made by any person of any shares in the company :

Provided that nothing in this section shall be taken to prohibit, where the lending of money is part of the ordinary business of a company, the lending of money by the company in the ordinary course of its business.

(3) If a company acts in contravention of this section, the company and every officer of the company

who is knowingly and wilfully in default shall be liable to a fine not exceeding one thousand rupees.

(4) Nothing in this section shall affect the right of a company to redeem any shares issued under section 105-B.

55. (1) Subject to confirmation by the Court, a company limited by shares, if so authorised by its articles, may by special resolution reduce its share capital in any way, and in particular (without prejudice to the generality of the foregoing power) may— Reduction of share capital.

(*a*) extinguish or reduce the liability on any of its shares in respect of share capital not paid up; or

(*b*) either with or without extinguishing or reducing liability on any of its shares cancel any paid-up share capital which is lost or unrepresented by available assets; or

(*c*) either with or without extinguishing or reducing liability on any of its shares, pay off any paid-up share capital which is in excess of the wants of the company;

and may, if and so far as is necessary, alter its memorandum by reducing the amount of its share capital and of its shares accordingly.

(2) A special resolution under this section is in this Regulation called a resolution for reducing share capital.

56. Where a company has passed a resolution for reducing share capital, it may apply by petition to the Court for an order confirming the reduction. Application to Court for confirming order.

57. On and from the passing by a company of a resolution for reducing share capital, or where the reduction does not involve either the diminution of any liability in respect of unpaid share capital, or the payment to any shareholder of any paid-up share capital, then on and from the making of the order confirming the reduction, the company shall add to its name, until such date as the Court may fix, the words "and reduced" as the last words in its name, and those words shall, until that date, be deemed to be part of the name of the company: Addition to name of company of "and reduced."

Provided that, where the reduction does not involve either the diminution of any liability in respect of unpaid share capital or the payment to any shareholder of any

paid-up share capital, the Court may, if it thinks expedient, dispense altogether with the addition of the words "and reduced."

Objections by creditors, and settlement of list of objecting creditors.

58. (1) Where the proposed reduction of share capital involves either diminution of liability in respect of unpaid share capital, or the payment to any shareholder of any paid-up share capital, and in any other case if the Court so directs, every creditor of the company who at the date fixed by the Court is entitled to any debt or claim which, if that date were the commencement of the winding up of the company, would be admissible in proof against the company, shall be entitled to object to the reduction.

(2) The Court shall settle a list of creditors so entitled to object, and for that purpose shall ascertain, as far as possible without requiring an application from any creditor, the names of those creditors and the nature and amount of their debts or claims, and may publish notices fixing a day or days within which creditors not entered on the list are to claim to be so entered or are to be excluded from the right of objecting to the reduction.

Power to dispense with consent of creditor on security being given for his debt.

59. Where a creditor entered on the list of creditors whose debt or claim is not discharged or determined does not consent to the reduction, the Court may, if it thinks fit, dispense with the consent of that creditor, on the company securing payment of his debt or claim by appropriating, as the Court may direct, the following amount (that is to say),—

(*i*) if the company admits the full amount of his debt or claim, or, though not admitting it, is willing to provide for it, then the full amount of the debt or claim;

(*ii*) if the company does not admit or is not willing to provide for the full amount of the debt or claim, or if the amount is contingent or not ascertained, then an amount fixed by the Court after the like inquiry and adjudica[illegible] tion as if the company were being wound[illegible] by the Court.

Order confirming reduction.

60. The Court, if satisfied, with respect [illegible] creditor of the company who under this P[illegible] entitled to object to the reduction, that [illegible] sent to the reduction has been obtained [illegible] claim has been discharged or has been determined or has

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been secured, may make an order confirming the reduction on such terms and conditions as it thinks fit.

61. (1) The registrar on production to him of an order of the Court confirming the reduction of the share capital of a company, and on the filing with him of a certified copy of the order and of a minute (approved by the Court) showing, with respect to the share capital of the company as altered by the order, the amount of the share capital, the number of shares into which it is to be divided and the amount of each share, and the amount (if any) at the date of the registration deemed to be paid up on each share, shall register the order and minute. Registration of order and minute of reduction.

(2) On the registration, and not before, the resolution for reducing share capital as confirmed by the order so registered shall take effect.

(3) Notice of the registration shall be published in such manner as the Court may direct.

(4) The registrar shall certify under his hand the registration of the order and minute, and his certificate shall be conclusive evidence that all the requirements of this Regulation with respect to reduction of share capital have been complied with, and that the share capital of the company is such as is stated in the minute.

62. (1) The minute when registered shall be deemed to be substituted for the corresponding part of the memorandum of the company, and shall be valid and alterable as if it had been originally contained therein, and shall be embodied in every copy of the memorandum issued after its registration. Minute to form part of memorandum.

(2) If a company makes default in complying with the requirements of this section, it shall be liable to a fine not exceeding ten rupees for each copy in respect of which default is made, and every officer of the company who knowingly and wilfully authorises or permits the default shall be liable to the like penalty.

63. (1) A member of the company, past or present, shall not be liable in respect of any share to any call or contribution exceeding in amount the difference (if any) between the amount paid, or (as the case may be) the reduced amount, if any, which is to be deemed to have been paid, on the share and the amount of the share as fixed by the minute: Liability of members in respect of reduced shares.

Provided that, if any creditor, entitled in respect of any debt or claim to object to the reduction of share capital, is, by reason of his ignorance of the proceedings for

reduction, or of their nature and effect with respect to his claim entered on the list of creditors, and after the reduction, the company is unable, within the meaning of the provisions of this Regulation with respect to winding up by the Court, to pay the amount of his debt or claim, then—

(*i*) every person who was a member of the company at the date of the registration of the order for reduction and minute, shall be liable to contribute for the payment of that debt, or claim an amount not exceeding the amount which he would have been liable to contribute if the company had commenced to be wound up on the day before that registration; and

(*ii*) if the company is wound up, the Court, on the application of any such creditor and proof of his ignorance as aforesaid, may, if it thinks fit, settle accordingly a list of persons so liable to contribute, and make and enforce calls and orders on the contributories settled on the list as if they were ordinary contributories in a winding up.

(2) Nothing in this section shall affect the rights of the contributories among themselves.

Penalty on concealment of name of creditor.

64. If any officer of the company wilfully conceals the name of any creditor entitled to object to the reduction or wilfully misrepresents the nature or amount of the debt or claim of any creditor, or if any officer of the company abets any such concealment or misrepresentation as aforesaid, every such officer shall be punishable with imprisonment which may extend to one year, or with fine, or with both.

Publication of reasons for reduction.

65. In any case of reduction of share capital, the Court may require the company to publish as the Court directs the reasons for reduction, or such other information in regard thereto as the Court may think expedient with a view to give proper information to the public, and, if the Court thinks fit, the causes which led to the reduction.

Increase and reduction of share capital in case of a company limited by guarantee having a share capital.

66. A company limited by guarantee and registered after the commencement of this Regulation may, if it has a share capital and is so authorised by its articles, increase or reduce its share capital in the same manner and subject to the same conditions in and subject to which a company

limited by shares may increase or reduce its share capital under the provisions of this Regulation.

VARIATION OF SHAREHOLDERS' RIGHTS.

Rights of holders of special classes of shares.

66A. (1) If in the case of a company, the share capital of which is divided into different classes of shares, provision is made by the memorandum or articles for authorising the variation of the rights attached to any class of shares in the company, subject to the consent of any specified proportion of the holders of the issued shares of that class or the sanction of a resolution passed at a separate meeting of the holders of those shares, and in pursuance of the said provision the rights attached to any such class of shares are at any time varied, the holders of not less in the aggregate than ten per cent of the issued shares of that class, being persons who did not consent to or vote in favour of the resolution for the variation, may apply to the Court to have the variation cancelled, and where any such application is made the variation shall not have effect unless and until it is confirmed by the Court.

(2) An application under this section must be made within fourteen days after the date on which the consent was given or the resolution was passed, as the case may be, and may be made on behalf of the shareholders entitled to make the application by such one or more of their number as they may appoint in writing for the purpose.

(3) On any such application the Court, after hearing the applicant and any other persons who apply to the Court to be heard and appear to the Court to be interested in the application, may, if it is satisfied having regard to all the circumstances of the case that the variation would unfairly prejudice the shareholders of the class represented by the applicant, disallow the variation and shall, if not so satisfied, confirm the variation.

(4) The decision of the Court on any such application shall be final.

(5) The company shall within fifteen days after the service on the company of any order made on any such application forward a copy of the order to the registrar and, if default is made in complying with this provision, the company and every officer of the company who is knowingly and wilfully in default shall be liable to a fine not exceeding fifty rupees.

(6) The expression 'variation' in this section includes 'abrogation' and the expression 'varied' shall be construed accordingly.

Registration of Unlimited Company as Limited.

Registration of unlimited company as limited.

67. (1) Subject to the provisions of this section, any company registered as unlimited may register under this Regulation as limited or any company already registered as a limited company may re-register under this Regulation, but the registration of an unlimited company as a limited company shall not affect any debts, liabilities, obligations or contracts incurred or entered into by, to, with or on behalf of, the company before the registration, and those debts, liabilities, obligations and contracts may be enforced in manner provided by Part VIII of this Regulation in the case of a company registered in pursuance of that part.

(2) On registration in pursuance of this section, the registrar shall close the former registration of the company, and may dispense with the delivery to him of copies of any documents with copies of which he was furnished on the occasion of the original registration of the company; but, save as aforesaid, the registration shall take place in the same manner and shall have effect as if it were the first registration of the company under this Regulation.

Power of unlimited company to provide for reserve share capital on re-registration.

68. An unlimited company having a share capital may, by its resolution for registration as a limited company in pursuance of this Regulation, do either or both of the following things, namely:—

(*a*) increase the nominal amount of its share capital by increasing the nominal amount of each of its shares, but subject to the condition that no part of the amount by which its capital is so increased shall be capable of being called up except in the event and for the purposes of the company being wound up;

(*b*) provide that a specified portion of its unca share capital shall not be capable of being called up exce in the event and for the purposes of the company being wound up.

Reserve Liability of Limited Company.

Reserve liability of limited company.

69. A limited company may by special resolution determine that any portion of its share capital which has

not been already called up shall not be capable of being called up, except in the event and for the purposes of the company being wound up, and thereupon that portion of its share capital shall not be capable of being called up except in the event and for the purposes aforesaid.

Unlimited Liability of Directors.

70. (1) In a limited company the liability of the directors or of any director may, if so provided by the memorandum, be unlimited.

Limited company may have directors with unlimited liability.

(2) In a limited company in which the liability of any director is unlimited, the directors of the company (if any)and the member who proposes a person for election or appointment to the office of director shall add to that proposal a statement that the liability of the person holding that office will be unlimited and the promoters and officers of the company, or one of them, shall, before the person accepts the office or acts therein, give him notice in writing that his liability will be unlimited.

(3) If any director or proposer makes default in adding such a statement, or if any promoter or officer of the company makes default in giving such a notice, he shall be liable to a fine not exceeding one thousand rupees and shall also be liable for any damage which the person so elected or appointed may sustain from the default, but the liability of the person elected or appointed shall not be affected by the default.

71. (1) A limited company, if so authorised by its articles, may, by special resolution, alter its memorandum so as to render unlimited the liability of its directors or of any director.

Special resolution of limited company making liability of directors unlimited.

(2) Upon the passing of any such special resolution, the provisions thereof shall be as valid as if they had been originally contained in the memorandum.

PART IV.

Management and Administration.

Office and Name.

72. (1) A company shall as from the day on which gins to carry on business, or as from the twenty-th day after the date of its incorporation, whichever he earlier, have a registered office to which all commu-ations and notices may be addressed.

Registered Office of Company.

(2) Notice of the situation of the registered office and of any change therein shall be given within twenty-eight days after the date of the incorporation of the company or of the change, as the case may be, to the registrar who shall record the same.

(3) The inclusion in the annual return of a company of the statement as to the address of its registered office shall not be taken to satisfy the obligation imposed by this section.

(4) If a company carries on business without complying with the requirements of this section, it shall be liable to a fine not exceeding fifty rupees for every day during which it so carries on business.

Publication of name by a limited company.

73. Every limited company—

(*a*) shall paint or affix, and keep painted or affixed, its name on the outside of every office or place in which its business is carried on, in a conspicuous position, in letters easily legible and in English and Kannada characters;

(*b*) shall have its name engraven in legible characters on its seal;

(*c*) shall have its name mentioned in legible English or Kannada characters in all bill-heads, and letter paper and in all notices, advertisements and other official publications of the company, and in all bills of exchange, hundis, promissory notes, endorsements, cheques and orders for money or goods purporting to be signed by or on behalf of the company, and in all bills of parcels, invoices, receipts and letters of credit of the company.

Penalties for non-publication of name.

74. (1) If a limited company does not paint or affix, and keep painted or affixed, its name in manner directed by this Regulation, it shall be liable to a fine not exceeding fifty rupees for not so painting or affixing its name, and for every day during which its name is not so kept painted or affixed, and every officer of the company, wh knowingly and wilfully authorises or permits the defa shall be liable to the like penalty.

(2) If any officer of a limited company, or an son on its behalf, uses or authorises the use of an purporting to be a seal of the company whereon its is not so engraven as aforesaid, or issues or autho the issue of any bill-head, letter paper, notice, advert ment or other official publication of the company, signs or authorises to be signed on behalf of the compa

any bill of exchange, hundi, promissory note, endorsement, cheque or order for money or goods, or issues or authorises to be issued any bill of parcels, invoice, receipt or letter of credit of the company wherein its name is not mentioned in manner aforesaid, he shall be liable to a fine not exceeding five hundred rupees, and shall further be personally liable to the holder of any such bill of exchange, hundi, promissory note, cheque or order for money or goods, for the amount thereof, unless the same is duly paid by the company.

Publication of authorised as well as subscribed and paid-up capital.

75. (1) Where any notice, advertisement or other official publication of a company contains a statement of the amount of the authorised capital of the company, such notice, advertisement or other official publication shall also contain a statement, in an equally prominent position and in equally conspicuous characters, of the amount of the capital which has been subscribed and the amount paid up.

(2) Any company which makes default in complying with the requirements of this section and every officer of the company who is knowingly a party to the default shall be liable to a fine not exceeding one thousand rupees.

Meetings and Proceedings.

Annual General Meeting.

76. (1) A general meeting of every company shall be held within eighteen months from the date of its incorporation and thereafter once at least in every calendar year and not more than fifteen months after the holding of the last preceding general meeting.

(2) If default is made in holding a meeting in accordance with the provisions of this section, the company and every director or manager of the company who is knowingly and wilfully a party to the default shall be liable to a fine not exceeding five hundred rupees.

(3) If default is made as aforesaid, the Court may, on the application of any member of the company, call or direct the calling of a general meeting of the company.

Statutory meeting of company.

77. (1) Every company limited by shares and every company limited by guarantee and having a share capital shall, within a period of not less than one month nor more than six months from the date at which the company is entitled to commence business, hold a general meeting of the members of the company, which shall be called the statutory meeting.

(2) The directors shall, at least twenty-one days before the day on which the meeting is held, forward a report (in this Regulation referred to as the statutory report) certified as required by this section to every member of the company.

(3) The statutory report shall be certified by not less than two directors of the company or by the chairman of the directors if authorised in this behalf by the directors and shall state—

(*a*) the total number of shares allotted, distinguishing shares allotted as fully or partly paid up otherwise than in cash, and stating in the case of shares partly paid up the extent to which they are so paid up, and in either case the consideration for which they have been allotted;

(*b*) the total amount of cash received by the company in respect of all the shares allotted, distinguished as aforesaid;

(*c*) an abstract of the receipts of the company and of the payments made thereout up to a date within seven days of the date of the report, exhibiting under distinctive headings the receipts of the company from shares and debentures and other sources, the payments made thereout, and particulars concerning the balance remaining in hand, and an account or estimate of the preliminary expenses of the company showing separately any commission or discount paid on the issue or sale of shares;

(*d*) the names, addresses and descriptions of the directors, auditors, managing agents and managers, if any, and secretary of the company and the changes, if any, which have occurred since the date of the incorporation;

(*e*) the particulars of any contract, the modification of which is to be submitted to the meeting for its approval, together with the particulars of the modification or proposed modification;

(*f*) the extent to which underwriting contracts, if any, have been carried out;

(*g*) the arrears, if any, due on calls from directors, managing agents and managers; and

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(*h*) the particulars of any commission or brokerage paid or to be paid in connection with the issue or sale of shares to any director, managing agent or manager or a partner of the managing agent if the managing agent is a firm or if the managing agent is a private company a director thereof.

(4) The statutory report shall, so far as it relates to the shares allotted by the company, and to the cash received in respect of such shares and to the receipts and payments of the company, be certified as correct by the auditors of the company.

(5) The directors shall cause a copy of the statutory report certified as required by this section to be delivered to the registrar for registration forthwith after the sending thereof to the members of the company.

(6) The directors shall cause a list showing the names, descriptions and addresses of the members of the company, and the number of shares held by them respectively, to be produced at the commencement of the meeting, and to remain open and accessible to any member of the company during the continuance of the meeting.

(7) The members of the company present at the meeting shall be at liberty to discuss any matter relating to the formation of the company or arising out of the statutory report, whether previous notice has been given or not, but no resolution of which notice has not been given in accordance with the articles may be passed.

(8) The meeting may adjourn from time to time, and at any adjourned meeting any resolution of which notice has been given in accordance with the articles, either before or subsequently to the former meeting, may be passed, and the adjourned meeting shall have the same powers as an original meeting.

(9) If a petition is presented to the Court in manner provided by Part V for winding up the company on the ground of default in filing the statutory report or in holding the statutory meeting, the Court may, instead of directing that the company be wound up, give directions for the statutory report to be filed or a meeting to be held, or make such other order as may be just.

(10) In the event of any default in complying with the provisions of this section every director of the company who is guilty of or who knowingly and wilfully

authorises or permits the default shall be liable to a fine not exceeding five hundred rupees.

(11) This section shall not apply to a private company.

Amendment of section 78, Regulation VIII of 1917.

78. (1) Notwithstanding anything in the articles, the directors of a company which has a share capital shall, on the requisition of the holders of not less than one-tenth of the issued share capital of the company upon which all calls or other sums then due have been paid, forthwith proceed to call an extraordinary general meeting of the company.

Calling of extraordinary general meeting on requisition.

(2) The requisition must state the objects of the meeting, and must be signed by the requisitionists and deposited at the registered office of the company, and may consist of several documents in like form, each signed by one or more requisitionists.

(3) If the directors do not proceed within twenty-one days from the date of the requisition being so deposited to cause a meeting to be called, the requisitionists, or a majority of them in value, may themselves call the meeting, but in either case any meeting so called shall be held within three months from the date of the deposit of the requisition.

(4) Any meeting called under this section by the requisitionists shall be called in the same manner, as nearly as possible, as that in which meetings are to be called by directors.

(5) Any reasonable expenses incurred by the requisitionists by reason of the failure of the directors duly to convene a meeting shall be repaid to the requisitionists by the company, and any sum so repaid shall be retained by the company out of any sums due or to become due from the company by way of fees or other remuneration for their services to such of the directors as were in default.

Provisions as to meetings and votes.

79. (1) The following provisions shall have effect with respect to meetings of a company other than a private company not being a subsidiary of a public company and the procedure thereat, notwithstanding any provision made in the articles of the company in this behalf:—

(*a*) a meeting of a company other than a meeting for the passing of a special resolution may be called by not less than fourteen days' notice in writing; but with the consent of all the

members entitled to receive notice of some particular meeting that meeting may be convened by such shorter notice and in such manner as those members may think fit;

(*b*) notice of the meeting of a company with a statement of the business to be transacted at the meeting shall be served on every member in the manner in which notices are required to be served by Table A and for the purpose of this clause the expression 'Table A' means that table as for the time being in force; but the accidental omission to give notice to, or the non-receipt of notice by, any member shall not invalidate the proceedings at any meeting;

(*c*) five members present in person or by proxy, or the chairman of the meeting, or any member or members holding not less than one-tenth of the issued capital which carries voting rights shall be entitled to demand a poll: Provided that in the case of a private company if not more than seven members are personally present, one member, and if more than seven members are personally present, two members shall be entitled to demand a poll;

(*d*) an instrument appointing a proxy, if in the form set out in Regulation 67 of Table A, shall not be questioned on the ground that it fails to comply with any special requirements specified for such instruments by the articles; and

(*e*) any shareholder whose name is entered in the register of shareholders of the company shall enjoy the same rights and be subject to the same liabilities as all other shareholders of the same class.

(2) The following provisions shall have effect in so far as the articles of the company do not make other provision in that behalf:—

(*a*) two or more members holding not less than one-tenth of the total share capital paid-up or, if the company has not a share capital, not less than five per cent in number of the members of the company may call a meeting;

(*b*) in the case of a private company two members and in the case of any other company five members personally present shall be a quorum;

(c) any member elected by the members present at a meeting may be chairman thereof;

(d) in the case of a company originally having a share capital, every member shall have one vote in respect of each share or each hundred rupees of stock held by him, and in any other case every member shall have one vote;

(e) on a poll votes may be given either personally or by proxy;

(f) the instrument appointing a proxy shal be in writing under the hand of the appointer or of his attorney duly authorised in writing, or if the appointer is a corporation, either under seal or under the hand of an officer or an attorney duly authorised; and

(g) a proxy must be a member of the company.

(3) If for any reason it is impracticable to call a meeting of a company in any manner in which meetings of that company may be called or to conduct the meeting of the company in manner prescribed by the articles or this Regulation, the Court may, either of its own motion or on the application of any director of the company or of any member of the company who would be entitled to vote at the meeting, order a meeting of the company to be called, held and conducted in such manner as the Court thinks fit, and where any such order is given may give such ancillary or consequential directions as it thinks expedient, and any meeting called, held and conducted in accordance with any such order shall for all purposes be deemed to be a meeting of the company duly called, held and conducted.

Representation of companies at meetings of other companies of which they are members.

80. A company which is a member of another company may, by resolution of the directors, authorise any of its officials or any other person to act as its representative at any meeting of that other company, and the person so authorised shall be entitled to exercise the same powers on behalf of the company which he represents as if he were an individual shareholder of that other company.

Extraordinary and special resolution.

81. (1) A resolution shall be an extraordinary resolution when it has been passed by a majority of not less than three-fourths of such members entitled to vote as are present in person or by proxy (where proxies are allowed) at a general meeting of which notice specifying

the intention to propose the resolution as an extraordinary resolution has been duly given.

(2) A resolution shall be a special resolution when it has been passed by such a majority as is required for the passing of an extraordinary resolution and at a general meeting of which not less than twenty-one days' notice specifying the intention to propose the resolution as a special resolution has been duly given:

Provided that, if all the members entitled to attend and vote at any such meeting so agree, a resolution may be proposed and passed as a special resolution at a meeting of which less than twenty-one days' notice has been given."

(3) At any meeting at which an extraordinary resolution or a special resolution is submitted to be passed, a declaration of the chairman on a show of hands that the resolution is carried shall, unless a poll is demanded, be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

(4) At any meeting at which an extraordinary resolution or a special resolution is submitted to be passed, a poll may be demanded.

(5) In a case where a poll is demanded, it may, in accordance with the articles, be taken in such manner as the chairman may direct; it may, if the chairman so directs, be taken at the meeting at which it is demanded.

(6) When a poll is demanded in accordance with this section, in computing the majority on the poll, reference shall be had to the number of votes to which each member is entitled by the articles of the company or under this Regulation.

(7) For the purposes of this section notice of a meeting shall be deemed to be duly given and the meeting to be duly held when the notice is given and the meeting held in manner provided by the articles or under this Regulation.

82. (1) A copy of every special and extraordinary resolution shall, within fifteen days from the passing thereof be printed or typewritten and duly certified under the signature of an officer of the company and filed with the registrar who shall record the same.

Registration and copies of special and extraordinary resolutions.

(2) Where articles have been registered, a copy of every special resolution for the time being in force shall be embodied in or annexed to every copy of the articles issued after the date of the resolution.

(3) Where articles have not been registered, a copy of every special resolution shall be forwarded in print to any member at his request, on payment of one rupee or such less sum as the company may direct.

(4) If a company makes default in so filing with the registrar a copy of a special or extraordinary resolution, it shall be liable to a fine not exceeding twenty rupees for evey day during which the default continues.

(5) If a company makes default in embodying in or annexing to a copy of its articles or in forwarding in print to a member, when required by this section, a copy of a special resolution, it shall be liable to a fine not exceeding ten rupees for each copy in respect of which default is made.

(6) Every officer of a company who knowingly and wilfully authorises or permits any default by the company in complying with the requirements of this section shall be liable to the like penalty as is imposed by this section on the company for that default.

Minutes of proceedings of general meetings and directors.

83. (1) Every company shall cause minutes of all proceedings of general meetings and of its directors to be entered in books kept for that purpose.

(2) Any such minute, if purporting to be signed by the chairman of the meeting at which the proceedings were had, or by the chairman of the next succeeding meeting, shall be evidence of the proceedings.

(3) Until the contrary is proved, every general meeting of the company or meeting of directors in respect of the proceedings whereof minutes have been so made shall be deemed to have been duly called and held, and all proceedings had thereat to have been duly had, and all appointments of directors or liquidators shall be deemed to be valid.

(4) The books containing the minutes of proceedings of any general meeting of a company held after the commencement of this Regulation, shall be kept at the registered office of the company and shall during business hours (subject to such reasonable restrictions as the company may by its articles or in general meeting impose so that no less than two hours in each day be

allowed for inspection) be open to the inspection of any member without charge.

(5) Any member shall at any time after seven days from the meeting be entitled to be furnished within seven days after he has made a request in that behalf to the company with a copy of any minutes referred to in sub-section (4) at a charge not exceeding six annas for every hundred words.

(6) If any inspection required under sub-section (4) of this section is refused or, if any copy required under sub-section (5) of this section is not furnished within the time specified in sub-section (5) the company and every officer of the company who is knowingly and wilfully in default shall be liable in respect of each offence to a fine not exceeding twenty-five rupees and to a further fine to twenty-five rupees for every day during which the default continues.

(7) In the case of any such refusal or default, the Court may by order compel an immediate inspection of the books in respect of all proceedings of general meetings or direct that the copies required shall be sent to the persons requiring them.

DIRECTORS.

Directors obligatory.

83A. (1) Every company shall have at least three directors.

(2) This section shall not apply to a private company, except a private company being a subsidiary company of a public company.

Appointment of directors.

83B. (1) In default of and subject to any regulations in the articles of a company other than a private company—

(*i*) the subscribers of the memorandum shall be deemed to be the directors of the company until the first directors shall have been appointed;

(*ii*) the directors of the company shall be appointed by the members in general meeting; and

(*iii*) any casual vacancy occurring among the directors may be filled up by the directors, but the person so appointed shall be subject to retirement at the same time as if he had become a director on the day on which the director in whose place he is appointed was last appointed a director.

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(2) Notwithstanding anything contained in the articles of a company other than a private company not less than two-thirds of the whole number of directors shall be persons whose period of office is liable to determination at any time by retirement of directors in rotation:

Provided that nothing herein contained shall apply to a company incorporated before the commencement of this Regulation, where by virtue of the articles of the company the number of directors whose period of office is liable to determination at any time by retirement of directors in rotation falls below the two-thirds proportion mentioned in this section.

Restrictions on appointment or advertisement of director.

84. (1) A person shall not be capable of being appointed director of a company by the articles, and shall not be named as a director or proposed director of a company in any prospectus issued by or on behalf of the company or in relation to any intended company or in any statement in lieu of prospectus filed by or on behalf of a company, unless, before the registration of the articles or the publication of the prospectus, or the filing of the statement in lieu of prospectus, as the case may be, he has, by himself or by his agent authorised in writing—

(*i*) signed and filed with the registrar a consent in writing to act as such director; and

(*ii*) save in the case of companies not having a share capital, either signed the memorandum for a number of shares not less than his qualification (if any), or taken from the company and paid or agreed to pay for his qualification shares, or signed and filed with the registrar a contract in writing to take from the company and pay for his qualification shares (if any), or made and filed with the registrar an affidavit to the effect that a number of shares, not less than his qualification (if any), are registered in his name.

(2) On the application for registration of the memorandum and articles, if any, of a company, the applicant shall file with the registrar a list of the persons who have consented to be directors of the company, and, if this list contains the name of any person who has not so consented, the applicant shall be liable to a fine not exceeding five hundred rupees.

(3) This section shall not apply to a private company or a company which was a private company before

becoming a public company nor to a prospectus issued by or on behalf of a company after the expiration of one year from the date at which the company is entitled to commence business.

Qualification of director.

85. (1) Without prejudice to the restrictions imposed by section 84, it shall be the duty of every director who is by the articles required to hold a specified share qualification, and who is not already qualified, to obtain his qualification within two months after his appointment, or such shorter time as may be fixed by the articles.

(2) If after the expiration of the said period or shorter time, any unqualified person acts as a director of the company, he shall be liable to a fine not exceeding fifty rupees for every day between the expiration of the said period or shorter time and the last day on which it is proved that he acted as a director.

Validity of acts of directors.

86. The acts of a director shall be valid notwithstanding any defect that may afterwards be discovered in his appointment or qualification:

Provided that nothing in this section shall be deemed to give validity to acts done by a director after the appointment of such director has been shown to be invalid.

Ineligibility of bankrupt to act as director.

86A. (1) If any person being an undischarged insolvent acts as director or managing agent or manager of any company, he shall be liable to imprisonment for a term not exceeding two years or to a fine not exceeding one thousand rupees or to both.

(2) In this section the expression 'company' includes a company incorporated outside Mysore which has an established place of business within Mysore.

Assignment of office by directors.

86B. If in the case of any company provision is made by the articles or by any agreement entered into between any person and the company for empowering a director or manager of the company to assign his office as such to another person, any assignment of office made in pursuance of the said provision shall, notwithstanding anything to the contrary contained in the said provision, be of no effect unless and until it is approved by a special resolution of the company.

Avoidance of provisions relieving liability of directors.

86C. Save as provided in this section, any provision, whether contained in the articles of a company or in any contract with a company or otherwise, for exempting any director, manager or officer of the company or any

person (whether an officer of the company or not) employed by the company as auditor from or indemnifying him against any liability which by virtue of any rule of law would otherwise attach to him in respect of any negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the company shall be void:

Provided that—

(*a*) in relation to any such provision which is in force at the date of the commencement of this Regulation, this section shall have effect only on the expiration of a period of six months from that date, and

(*b*) nothing in this section shall operate to deprive any person of any exemption or right to be indemnified in respect of anything done or omitted to be done by him while any such provision was in force, and

(*c*) notwithstanding anything in this section, a company may, in pursuance of any such provision as aforesaid, indemnify any such director, manager, officer or auditor against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted, or in connection with any application under section 281 of this Regulation in which relief is granted to him by the Court.

Loans of directors.

86D. (1) No company shall make any loan or guarantee any loan made to a director of the company or to a firm of which such director is a partner or to a private company of which such director is a director.

(2) In the event of any contravention of sub-section (1) any director of the company who is a party to such contravention shall be punishable with fine which may extend to five hundred rupees, and if default is made in repayment of the loan or in discharging the guarantee shall be liable jointly and severally for the amount unpaid.

(3) This section shall not apply to a private company (except a private company which is the subsidiary company of a public company) or to a banking company.

Director not to hold office of profit.

86E. No director or firm of which such director is a partner or private company of which such director is a director shall without the consent of the company in general meeting hold any office of profit under the company except that of a managing director or manager or a legal or technical adviser or a banker:

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Provided that nothing herein contained shall apply to a director elected or appointed before the commencement of this Regulation in respect of any office of profit under the company held by him at the commencement of this Regulation.

Explanation.—For the purposes of this section the office of managing agent shall not be deemed to be an office of profit under the company.

Sanction of directors necessary for certain contracts.

86F. Except with the consent of the directors, a director of the company, or the firm of which he is a partner or any partner of such firm, or the private company of which he is a member or director, shall not enter into any contracts for the sale, purchase or supply of goods and materials with the company, provided that nothing herein contained shall affect any such contract or agreement for such sale, purchase or supply entered into before the commencement of this Regulation.

Removal of directors.

86G. (1) The company may by extraordinary resolution remove any director, whose period of office is liable to determination at any time by retirement of directors in rotation, before the expiration of his period of office and may, by ordinary resolution appoint another person in his stead. The person so appointed shall be subject to retirement at the same time as if he had become a director on the day on which the director in whose place he is appointed was last elected director. A director so removed shall not be reappointed a director by the board of directors.

(2) This section shall not apply to directors elected or appointed before the commencement of this Regulation.

Restrictions on powers of directors.

86H. The directors of a public company or of a subsidiary company of a public company shall not, except with the consent of the company concerned in general meeting,—

(*a*) sell or dispose of the undertaking of the company;

(*b*) remit any debt due by a director.

Vacation of office of director.

86I. (1) The office of a director shall be vacated if—

(*a*) he fails to obtain within the time specified in sub-section (1) of section 85 or, at any time thereafter ceases to hold, the share qualification, if any, necessary for his appointment, or

(*b*) he is found to be of unsound mind by a Court of competent jurisdiction, or

(*c*) he is adjudged an insolvent, or

(*d*) he fails to pay calls made on him in respect of shares held by him within six months from the date of such calls being made, or

(*e*) he or any firm of which he is a partner or any private company of which he is a director without the sanction of the company in general meeting accepts or holds any office of profit under the company other than that of a managing director or manager or a legal or technical adviser or a banker, or

(*f*) he absents himself from three consecutive meetings of the directors or from all meetings of the directors for a continuous period of three months whichever is the longer without leave of absence from the board of directors, or

(*g*) he or any firm of which he is a partner or any private company of which he is a director accepts a loan or guarantee from the company in contravention of section 86D, or

(*h*) he acts in contravention of section 86F.

(2) Nothing contained in this section shall be deemed to preclude a company from providing by its articles that the office of director shall be vacated on grounds additional to those specified in this section.

Register of directors, managers and managing agents.

87. (1) Every company shall keep at its registered office a register of its directors, managers, and managing agents containing with respect to each of them the following particulars, that is to say:—

(*a*) in the case of an individual, his present name in full, any former name or surname in full, his usual residential address, his nationality and, if that nationality is not the nationality of origin, his nationality of origin and his business occupation, if any, and if he holds any other directorship or directorships the particulars of such directorship or directorships;

(*b*) in the case of a corporation, its corporate name and registered or principal office; and the full name, address and nationality of each of its directors; and

(c) in the case of a firm, the full name, address and nationality of each partner, and the date on which each became a partner.

(2) The company shall within the periods respectively mentioned in this sub-section send to the registrar a return in the prescribed form containing the particulars specified in the said register and a notification in the prescribed form of any change among its directors, managers or managing agents or in any of the particulars contained in the register.

The period within which the said return is to be sent shall be a period of fourteen days from the appointment of the first directors of the company and the period within which the said notification of a change is to be sent shall be fourteen days from the happening thereof.

(3) The register to be kept under this section shall during business hours (subject to such reasonable restrictions as the company may by its articles or in general meeting impose, so that not less than two hours in each day be allowed for inspection) be open to the inspection of any member of the company without charge and of any other person on payment of one rupee or such less sum as the company may impose for each inspection.

(4) If any inspection required under this section is refused or if default is made in complying with sub-section (1) or sub-section (2) of this section, the company and every officer of the company who is knowingly and wilfully in default shall be liable to a fine of fifty rupees.

(5) In the case of any such refusal, the Court on application made by the person to whom inspection has been refused and upon notice to the company may by order direct an immediate inspection of the register.

Managing Agents.

Duration of appointment of managing agents.

87A. (1) No managing agent shall, after the commencement of this Regulation, be appointed to hold office for a term of more than twenty years at a time.

(2) Notwithstanding anything to the contrary contained in the articles of a company or in any agreement with the company a managing agent of a company appointed before the commencement of this Regulation shall not continue to hold office after the expiry of twenty years from the commencement of this Regulation unless then reappointed thereto or unless he has been reappointed thereto before the expiry of the said twenty years.

(3) A managing agent whose office is terminated by virtue of the provisions of sub-section (2) shall upon such termination be entitled to a charge upon the assets of the company by way of indemnity for all liabilities or obligations properly incurred by the managing agent on behalf of the company subject to existing charges and encumbrances, if any.

(4) The termination of the office of a managing agent by virtue of the provisions of sub-section (2) shall not take effect until all moneys payable to the managing agent for loans made to or remuneration due up to the date of such termination from the company are paid.

(5) Nothing in this section shall apply to a private company which is not the subsidiary company of a public company.

Conditions applicable to managing agents.

87B. Notwithstanding anything to the contrary contained in the articles of the company or in any agreement with the company—

(*a*) a company may, by resolution passed at a general meeting of which notice has been given to the managing agent in the same manner as to members of the company, remove a managing agent if he is convicted of an offence in relation to the affairs of the company punishable under the Indian Penal Code, and being under the provisions of the Code of Criminal Procedure, 1904, non-bailable; and for the purposes of this clause, where the managing agent is a firm or company an offence committed by a member of such firm or a director of or an officer holding a general power of attorney from such company shall be deemed to be an offence committed by such firm or company:

Provided that a managing agent shall not be liable to be removed under the provisions hereof if the offending member, director or officer as aforesaid is expelled or dismissed by the managing agent within thirty days from the date of his conviction or if his conviction is set aside on appeal;

(*b*) the office of a managing agent shall be vacated if he is adjudged insolvent;

(*c*) a transfer of his office by a managing agent shall be void unless approved by the company in general meeting:

Provided that in the case of a managing agent's firm a change in the partners thereof shall not be deemed to operate as a transfer of the office of managing agent,

so long as one of the original partners shall continue to be a partner of the managing agent's firm. For the purpose of this proviso 'original partners' shall mean, in the case of managing agents appointed before the commencement of this Regulation, partners who were partners at the date of the commencement of this Regulation, and in the case of managing agents appointed after the commencement of this Regulation, partners who were partners at the date of the appointment;

(*d*) a charge or assignment of his remuneration or any part thereof effected by a managing agent shall be void as against the company;

(*e*) if a company is wound up either by the Court or voluntarily, any contract of management made with a managing agent shall be thereupon determined without prejudice, however, to the right of the managing agent to recover any moneys recoverable by the managing agent from the company:

Provided that where the Court finds that the winding up is due to the negligence or default of the managing agent himself the managing agent shall not be entitled to receive any compensation for the premature termination of his contract of management; and

(*f*) the appointment of a managing agent, the removal of a managing agent and any variation of a managing agent's contract of management made after the commencement of this Regulation, shall not be valid unless approved by the company by a resolution at a general meeting of the company notwithstanding anything to the contrary in section 86E:

Provided that nothing herein contained shall apply to the appointment of a company's first managing agent made prior to the issue of the prospectus or statement in lieu of prospectus where the terms of the appointment of such managing agent are there set forth.

Remuneration of managing agent.

87C. (1) Where any company appoints a managing agent after the commencement of this Regulation, the remuneration of the managing agent shall be a sum based on a fixed percentage of the net annual profits of the company, with provision for a minimum payment in the case of absence of or inadequacy of profits, together with an office allowance to be defined in the agreement of management.

(2) Any stipulation for remuneration additional to or in any other form than the remuneration specified in

sub-section (1) shall not be binding on the company unless sanctioned by a special resolution of the company.

(3) For the purposes of this section 'net profits' means the profits of the company calculated after allowing for all the usual working charges, interest on loans and advances, repairs and outgoings, depreciation, bounties or subsidies received from Government or from a public body, profits by way of premium on shares sold, profits on sale proceeds of forfeited shares, or profits from the sale of the whole or part of the undertaking of the company but without any deduction in respect of income-tax or super-tax, or any other tax or duty on income or revenue or for expenditure by way of interest on debentures or otherwise on capital account or on account of any sum which may be set aside in each year out of the profits for reserve or any other special fund.

(4) This section shall not apply to a private company except a private company which is the subsidiary company of a public company or to any company whose principal business is the business of insurance.

Loans to managing agents.

87D. (1) No company shall make to a managing agent of the company or to any partner of the firm, if the managing agent is a firm, or to any director of the private company, if the managing agent is a private company, any loan out of moneys of the company or guarantee any loan made to a managing agent.

(2) Nothing contained in this section shall apply to any credit held by a managing agent in a current account maintained subject to limits previously approved by the board of directors by the company with the managing agent for the purposes of the company's business.

(3) In the event of any contravention of sub-section (1) any director of the company who is a party to the making of the loan or giving of the guarantee shall be punishable with fine which may extend to five hundred rupees, and if default is made in repayment of the loan or discharging the guarantee shall be liable jointly and severally for the amount unpaid.

(4) Nothing in this section shall apply to a private company except a private company which is the subsidiary company of a public company.

(5) Except with the consent of three-fourths of the directors present and entitled to vote on the resolution, a managing agent of the company, or the firm of which

he is a partner, or any partner of such firm, or, if the managing agent is a private company, a member or director thereof, shall not enter into any contract for the sale, purchase or supply of goods and materials with the company, provided that nothing herein contained shall affect any such contract for such sale, purchase or supply entered into before the commencement of this Regulation.

Loans to or by companies under the same management.

87E. (1) No company incorporated under this Regulation, which is under the management of a managing agent shall make any loan to or guarantee any loan made to any company under management by the same managing agent, and no company shall after the expiry of six months from the commencement of this Regulation except by way of renewal of an existing loan or guarantee given make any loan to or guarantee any loan made to any such company:

Provided that nothing herein contained shall apply to loans made or guarantees given by a company to or on behalf of a company under its own management or loans made by or to a company to or by a subsidiary company thereof or to guarantees given by a company on behalf of a subsidiary company thereof.

(2) In the event of any contravention of the provisions of this section, any director or officer of the company making the loan or giving the guarantee who is knowingly and wilfully in default shall be liable to a fine not exceeding one thousand rupees and shall be jointly and severally liable for any loss incurred by the company in respect of such loan or guarantee.

Purchase by company of shares of company under the same managing agent.

87F. A company other than an investment company, that is to say, a company whose principal business is the acquisition and holding of shares, stocks, debentures or other securities, shall not purchase shares or debentures of any company under management by the same managing agent, unless the purchase has been previously approved by an unanimous decision of the board of directors of the purchasing company.

Restriction on managing agent's powers of management.

87G. A managing agent shall not exercise in respect of any company of which he is a managing agent a power to issue debentures or, except with the authority of the directors, and within the limits fixed by them, a power to invest the funds of the company, and any delegation of any such power by a company to a managing agent shall be void.

Managing agent not to engage in business competing with the business of managed company.

87H. A managing agent shall not on his own account engage in any business which is of the same nature as and directly competes with the business carried on by a company under his management or by a subsidiary company of such company.

Limit on number of directors appointed by managing agent.

87I. Notwithstanding anything contained in the articles of a company other than a private company the directors, if any, appointed by the managing agent shall not exceed in number one-third of the whole number of directors.

CONTRACTS.

Form of contracts.

88. (1) Contracts on behalf of a company may be made as follows (that is to say) :—

(*i*) any contract which, if made between private persons, would be by law required to be in writing, signed by the parties to be charged therewith, may be made on behalf of the company, in writing signed by any person acting under its authority, express or implied, and may in the same manner be varied or discharged;

(*ii*) any contract which, if made between private persons, would by law be valid although made by parol only, and not reduced into writing, may be made by parol on behalf of the company by any person acting under its authority, express or implied, and may in the same manner be varied or discharged.

(2) All contracts made according to this section shall be effectual in law and shall bind the company and its successors and all other parties thereto, their heirs, or legal representatives, as the case may be.

Bills of exchange and promissory notes.

89. A bill of exchange, hundi or promissory note shall be deemed to have been made, drawn, accepted or endorsed on behalf of a company if made, drawn, accepted or endorsed in the name of, or by or on behalf or on account of, the company by any person acting under its authority, express or implied.

Execution of deeds abroad.

90. A company may, by writing under its common seal, empower any person, either generally or in respect of any specified matters, as its attorney, to execute deeds on its behalf in any place either in or outside Mysore; and every deed signed by such attorney, on behalf of the company, and under his seal, where sealing is required,

shall bind the company, and have the same effect as if it were under its common seal.

Power for company to have official seal for use abroad.

91. (1) A company whose objects require or comprise the transaction of business beyond the limits of Mysore may, if authorised by its articles, have for use in any territory, district or place not situate in Mysore, an official seal, which shall be a facsimile of the common seal of the company, with the addition on its face of the name of every territory, district or place where it is to be used.

(2) A company having such an official seal may, by writing under its common seal, authorise any person appointed for the purpose in any territory, district or place not situate in Mysore to affix the same to any deed or other document to which the company is party in that territory, district or place.

(3) The authority of any such agent shall, as between the company and any person dealing with the agent, continue during the period (if any) mentioned in the instrument conferring the authority, or if no period is there mentioned, then until notice of the revocation or determination of the agent's authority has been given to the person dealing with him.

(4) The person affixing any such official seal shall, by writing under his hand, on the deed or other document to which the seal is affixed, certify the date and place of affixing the same.

(5) A deed or other document to which an official seal is duly affixed shall bind the company as if it had been sealed with the common seal of the company.

Disclosure of interest by director.

91A. (1) Every director who is directly or indirectly concerned or interested in any contract or arrangement entered into by or on behalf of the company shall disclose the nature of his interest at the meeting of the directors at which the contract or arrangement is determined on, if his interest then exists, or in any other case at the first meeting of the directors after the acquisition of his interest or the making of the contract or arrangement:

Provided that a general notice that a director is a director or a member of any specified company or is a member of any specified firm, and is to be regarded as interested in any subsequent transaction with such firm or company, shall, as regards any such transaction, be sufficient disclosure within the meaning of this sub-section and after such general notice, it shall not be necessary

to give any special notice relating to any particular transaction with such firm or company.

(2) Every director who contravenes the provisions of sub-section (1) shall be liable to a fine not exceeding one thousand rupees.

(3) A register shall be kept by the company in which shall be entered particulars of all contracts or arrangements to which sub-section (1) applies, and which shall be open to inspection by any member of the company at the registered office of the company during business hours.

(4) Every officer of the company who knowingly and wilfully acts in contravention of the provisions of sub-section (3) shall be liable to a fine not exceeding five hundred rupees."

Prohibition of voting by interested director.

Amendment of section 91B, Regulation VIII of 1917.

91B. (1) No director shall, as a director, vote on any contract or arrangement in which he is either directly or indirectly concerned or interested nor shall his presence count for the purpose of forming a quorum at the time of any such vote; and if he does so vote, his vote shall not be counted:

Provided that the directors or any of them may vote on any contract of indemnity against any loss which they or any one or more of them may suffer by reason of becoming or being sureties or surety for the company.

(2) Every director who contravenes the provisions of sub-section (1) shall be liable to a fine not exceeding one thousand rupees.

(3) This section shall not apply to a private company:

Provided that where a private company is a subsidiary company of a public company, this section shall apply to all contracts or arrangements made on behalf of the subsidiary company with any person other than the holding company.

Disclosure to members in case of contract appointing a manager.

91C. (1) Where a company enters into a contract for the appointment of a manager or managing agent of the company in which contract any director of the company is directly or indirectly concerned or interested, or varies any such existing contract, the company shall, within twenty-one days from the date of entering into the contract or the varying of the contract, send an abstract of the terms of such contract or variation, as the case may be, together with a memorandum clearly indicating the nature of the interest of the director in such

contract, or in such variation, to every member; and the contract shall be open to the inspection of any member at the registered office of the company.

(2) If a company makes default in complying with the requirements of sub-section (1), it shall be liable to a fine not exceeding one thousand rupees; and every officer of the company who knowingly and wilfully authorises or permits the default shall be liable to the like penalty.

Contracts by agents of company in which company is undisclosed principal.

91D. (1) Every manager or other agent of a company other than a private company not being the subsidiary company of a public company who enters into a contract for or on behalf of the company in which contract the company is an undisclosed principal shall, at the time of entering into the contract, make a memorandum in writing of the terms of the contract, and specify therein the person with whom it has been made.

(2) Every such manager or other agent shall forthwith deliver the memorandum aforesaid to the company and send copies to the directors, and such memorandum shall be filed in the office of the company and laid before the directors at the next directors' meeting.

(3) If any such manager or other agent makes default in complying with the requirements of this section—

(*a*) the contract shall, at the option of the company, be void as against the company; and

(*b*) such manager or other agent shall be liable to fine not exceeding two hundred rupees.

PROSPECTUS.

Filing of prospectus.

92. (1) Every prospectus issued by or on behalf of a company or in relation to any intended company shall be dated, and that date shall, unless the contrary be proved, be taken as the date of publication of the prospectus.

(2) A copy of every such prospectus, signed by every person who is named therein as a director or proposed director of the company, or by his agent authorised in writing, shall be filed for registration with the registrar on or before the date of its publication, and no such prospectus shall be issued until a copy thereof has been so filed for registration.

(3) The registrar shall not register any prospectus unless it is dated, and the copy thereof signed, in manner required by this section.

(4) Every prospectus shall state on the face of it that a copy has been filed for registration as required by this section.

(5) If a prospectus is issued without a copy thereof being so filed, the company, and every person who is knowingly a party to the issue of the prospectus, shall be liable to a fine not exceeding fity rupees for every day from the date of the issue of the prospectus until a copy thereof is so filed.

Specific requirements as to particulars of prospectus.

93. (1) Every prospectus issued by or on behalf of a company, or by or on behalf of any person who is or has been engaged or interested in the formation of the company, shall state—

(*a*) the contents of the memorandum, with the names, descriptions and addresses of the signatories and the number of shares subscribed for by them respectively; and the number of founders or management or deferred shares (if any) and the nature and extent of the interest of the holders in the property and profits of the company and the number of redeemable preference shares intended to be issued with the date or, where no date is fixed, the period of notice required and the proposed method of redemption; and

(*b*) the number of shares (if any) fixed by the articles as the qualification of a director, and any provision in the articles as to the remuneration of the directors; and

(*c*) the names, descriptions and addresses of the directors or proposed directors and of the managers or proposed managers and managing agents or proposed managing agents (if any) and any provision in the articles or in any contract as to the appointment of managers or managing agents and the remuneration payable to them; and

(*d*) the minimum subscription on which the directors may proceed to allotment, and the amount payable on application and allotment on each share, and in the case of a second or subsequent offer of shares the amount offered for subscription on each previous allotment made within the two preceding years, and the amount actually allotted, and the amount (if any) paid on the shares so allotted; and

(*e*) the number and amount of shares, and debentures which within the two preceding years have been issued, or agreed to be issued, as fully or partly paid up

otherwise than in cash, and in the latter case the extent to which they are so paid up, and in either case the consideration for which those shares or debentures have been issued or agreed to be issued; and

(*ee*) where any issue of shares or debentures is underwritten, the names of the underwriters, and the opinion of the directors that the resources of the underwriters are sufficient to discharge the underwriting obligations; and

(*f*) the names and addresses of the vendors of any property purchased or acquired by the company, or proposed so to be purchased or acquired, which is to be paid for wholly or partly out of the proceeds of the issue offered for subscription by the prospectus, or the purchase or acquisition of which has not been completed at the date of issue of the prospectus, and the amount payable in cash, shares or debentures of the vendor, and where there is more than one separate vendor or the company is a sub-purchaser, the amount so payuble to each vendor: Provided that where the vendors or any of them are a firm, the members of the firm shall not be treated as separate vendors; and

(*ff*) where any property referred to in clause (*f*) has within the two years preceding the issue of the prospectus been transferred by sale, the amount paid by the purchaser at each such transfer so far as the information is available and, where any such property is a business, the profits accruing from such business during each of the three years immediately preceding the issue of the prospectus or during each year of the existence of the business if less than three years so far as the information is available. A balance sheet of the business concerned made up to a date not more than ninety days before the date of the issue of the prospectus shall be appended to the prospectus; and

(*g*) the amount (if any) paid or payable as purchase-money in cash, shares or debentures, for any such property as aforesaid, specifying the amount (if any) payable for goodwill; and

(*h*) the amount (if any) paid within the two preceding years or payable, as commission for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions, for any shares in, or debentures of, the company, or as discount in respect of shares issued, showing separately the amount, if any, so paid to the managing agents:

Provided that it shall not be necessary to state the commission payable to sub-under-writers; and

(*i*) the amount or estimated amount of preliminary expenses; and

(*j*) the amount paid within the two preceding years or intended to be paid to any promoter, and the codsideration for any such payment; and

(*k*) the dates of, and parties to, every material contract including contracts relating to the acquisition of property to which clause (*f*) applies, and a reasonable time and place at which any material contract or a copy thereof may be inspected: Provided that this requirement shall not apply to a contract entered into in the ordinary course of business carried on or intended to be carried on by the company or to any contract, except a contract appointing or fixing the remuneration of a managing director or managing agent, entered into more than two years before the date of issue of the prospectus; and

(*l*) the names and addresses of the auditors (if any) of the company; and

(*m*) full particulars of the nature and extent of the interest (if any) of every director in the promotion of, or in the property proposed to be acquired by, the company, or, where the interest of such a director consists in being a partner in a firm, the nature and extent of the interest of the firm, with a statement of all sums paid or agreed to be paid to him or to the firm in cash or shares or otherwise by any person either to induce him to become, or to qualify him as, a director, or otherwise for services rendered by him or by the firm in connection with the promotion or formation of the company; and

(*n*) where the company is a company having shares of more than one class, the right of voting at meetings of the company conferred by and the rights in respect of capital and dividends attached to the several classes of shares respectively;

(*o*) where the articles of the company impose any restrictions upon the members of the company in respect of the right to attend, speak or vote at meetings of the company or of the right to transfer shares, or upon the directors of the company in respect of their powers of management, the nature and extent of those restrictions.

(1A) Where the prospectus is issued by a company which has been carrying on business prior to the issue thereof, the prospectus shall set out the following

reports in addition to the matters referred to in sub-section (1), namely :—

(*i*) a report by the auditors of the company with respect to the profits of the company including its subsidiary companies, if any, so far as the information is available in each of the three financial years immediately preceding the issue of the prospectus and with respect to the rates of the dividends, if any, paid by the company on each class of shares in the company for each of the said three years giving particulars of each such class of shares on which such dividends have been paid and the source from which the dividends have been paid and particulars of the cases in which no dividends have been paid on any class of shares for any of those years, and if no accounts have been made up for any part of a period of three years ending on a date three months before the issue of the prospectus, containing a statement of that fact ;

(*ii*) if the proceeds or any part of the proceeds of the issue of the shares or debentures are or is to be applied directly or indirectly in the purchase of any business, a report made by an accountant or accountants holding the certificate referred to in section 144 who shall be named in the prospectus upon the profits of the business in respect of each of the three financial years immediately preceding the issue of the prospectus :

Provided that if, in the case of a company which has been carrying on business for less than three years, the accounts of the company have been made up only in respect of two years or any shorter period, this sub-section shall have effect as if references to two years or such shorter period were substituted for references to three years.

(1B) The statement referred to in clause (*ff*) of sub-section (1) and the report referred to in sub-section (1A) with respect to the profits of a company or business shall show clearly the trading results and all charges and expenses incidental thereto excluding income or profits having no relation to the trading for the period covered and excluding also items of profit or income of a non-cerurring nature but including amounts appropriated from

profits to such purposes as payment of taxation or reserves.

(1C) Where any part of the sums required for the matters set out in sub-section (2) of section 101 is to be provided out of sources other than share capital particulars of the amount to be so provided and the sources thereof.

(2) Where any such prospectus as is mentioned in this section is published as a newspaper advertisement, it shall not be necessary in the advertisement to specify the contents of the memorandum, or the signatories thereto, and the number of shares subscribed for by them.

(3) This section shall not apply to a circular or notice inviting existing members or debenture holders of a company to subscribe either for shares or for debentures of the company, whether with or without the right to renounce in favour of other person.

(4) The requirements of this section as to the memorandum and the qualification, remuneration and interest of directors, the names, descriptions and addresses of directors or proposed directors, and of managers or proposed managers, and the amount or estimatad amount of preliminary expenses, shall not apply in the case of a prospectus issued more than one year after the date at which the company is entitled to commence business :

Provided that the said requirements, except the requirement as to the amount or estimated amount of preliminary expenses, shall apply to a prospectus filed in pursuance of section 154.

(5) Nothing in this section shall limit or diminish any liability which any person may incur under the general law or this Regulation apart from this section.

Meaning of "Vendor" in section 93.

94. For the purposes of section 93 every person shall be deemed to be a vendor who has entered into any contract, absolute or conditional, for the sale or purchase, or for any option of purchase, of any property to be acquired by the company, in any case where—

(*a*) the purchase-money is not fully paid at the date of issue of the prospectus ; or

(*b*) the purchase-money is to be paid or satisfied wholly or in part out of the proceeds of the issue offered for subscription by the prospectus ; or

(*c*) the contract depends for its validity or fulfilment on the result of that issue.

95. Where any of the property to be acquired by the company is to be taken on lease, section 93 shall apply as if the expression "vendor" included the lessor, and the expression "purchase-money" included the consideration for the lease, and the expression "sub-purchaser" included a sub-lessee.

Application of section 93 to the case of property taken on lease.

96. (1) Any conditions requiring or binding any applicant for shares or debentures to waive compliance with any requirements of section 93, or purporting to affect him with notice of any contract, document or matter not specifically referred to in the prospectus, shall be void.

Invalidity of certain conditions as to waiver or notice.

(2) It shall not be lawful to issue any form of application for the shares in or debentures of a company unless the form is issued with a prospectus which complies with the requirements of section 93:

Provided that this sub-section shall not apply if it is shown that the form of application was issued either—

(*a*) in connection with a *bona fide* invitation to a person to enter into an under-writing agreement with respect to the shares or debentures; or

(*b*) in relation to shares or debentures which were not offered to the public.

If any person acts in contravention of the provisions of this sub-section, he shall be liable to a fine not exceeding five hundred rupees.

97. (1) If a prospectus is issued which does not comply with the provisions of section 93, every person who is knowingly responsible for the issue of such prospectus shall be liable to a fine not exceeding fifty rupees for every day from the day of the issue of the prospectus until a copy complying with the requirements of section 93 is filed.

Saving in certain cases of non-compliance with section 93.

(2) In the event of non-compliance with or contravention of any of the requirements of section 93, a director or other person responsible for the prospectus shall not incur any liability by reason of the non-compliance or contravention, if he proves that—

(*a*) as regards any matter not disclosed, he was not cognisant thereof;

(*b*) the non-compliance or contravention arose from an honest mistake of fact on his part; or

(*c*) the non-compliance or contravention was in respect of matters which in the opinion of the

Court were immaterial, or was otherwise such as ought in the opinion of the Court having regard to all the circumstances of the case reasonably to be excused:

Provided that, in the event of non-compliance with or contravention of the requirements contained in clause (*m*) of sub-section (1) of section 93, no such director or other person shall incur any liability in respect of the non-compliance or contravention unless it be proved that he had knowledge of the matters not disclosed.

Obligations of companies where no prospectus is issued.

98. (1) A company which does not issue a prospectus on or with reference to its formation shall not allot any of its shares or debentures unless before the first allotment of either shares or debentures there has been filed with the registrar a statement in lieu of prospectus signed by every person who is named therein as a director or a proposed director of the company or by his agent authorised in writing, in the form and containing the particulars set out in the form marked I in the Second Schedule.

(2) This section shall not apply to a private company or to a company which has allotted any shares or debentures before the commencement of this Regulation, or, in so far as it relates to the allotment of shares, to a company limited by guarantee and not having a share capital.

Document offering shares or debentures for sale to be deemed a prospectus.

98A. (1) Where a company allots or agrees to allot any shares in or debentures of the company with a view to all or any of those shares or debentures being offered for sale to the public, any document by which the offer for sale to the public is made shall for all purposes be deemed to be a prospectus issued by the company and all enactments and rules of law as to the contents of prospectuses and to liability in respect of statements in and omissions from prospectuses or otherwise relating to prospectuses shall apply and have effect accordingly as if the shares or debentures had been offered to the public for subscription and as if persons accepting the offer in respect of any shares or debentures were subscribers for those shares or debentures but without prejudice to the liability, if any, of the persons by whom the offer is made in respect of mis-statements contained in the document or otherwise in respect thereof.

(2) For the purposes of this Regulation it shall, unless the contrary is proved, be evidence that an allotment of or an agreement to allot shares or debentures was made with a view to the shares or debentures being offered for sale to the public, if it is shown—

(*a*) that an offer of the shares or debentures or of any of them for sale to the public was made within six months after the allotment or agreement to allot; or

(*b*) that at the date when the offer was made the whole of the consideration to be received by the company in respect of the shares or debentures had not been so received.

(3) Section 97 shall apply to the person or persons making the offer as though they were persons named in a prospectus as directors of a company, and the provisions of section 93 shall have effect as if it required a prospectus to state, in addition to the matters required by that section to be stated in a prospectus,—

(*a*) the net amount of the consideration received or to be received by the company in respect of the shares or debentures to which the offer relates, and

(*b*) the place and time at which the contract under which the said shares or debentures have been or are to be allotted may be inspected.

(4) Where a person making an offer to which this section relates is a company or a firm, it shall be sufficient if the document aforesaid is signed on behalf of the company or firm by all directors of the company or not less than half of the partners, as the case may be, and any such director or partner may sign by his agent authorised in writing.

Restriction on alteration of terms mentioned in prospectus or statement in lieu of prospectus.

99. A company shall not, at any time, vary the terms of a contract referred to in the prospectus or statement in lieu of prospectus, except subject to the approval of the company in general meeting.

Liability for statements in prospectus.

100. (1) Where a prospectus invites persons to subscribe for shares in or debentures of a company, every person who is a director of the company at the time of the issue of the prospectus, and every person who has authorised the naming of himself and is named in the prospectus as a director or as having agreed to become a director

either immediately or after an interval of time, and every promoter of the company, and every person who has authorised the issue of the prospectus, shall be liable to pay compensation to all persons who subscribe for any shares or debentures on the faith of the prospectus for all loss or damage they may have sustained by reason of any misleading or untrue statement therein, or in any report or memorandum appearing on the face thereof, or by reference incorporated therein or issued therewith, unless it is proved—

(*a*) with respect to every misleading or untrue statement not purporting to be made on the authority of an expert or of a public official document or statement, that he had reasonable ground to believe and did up to the time of the allotment of the shares or debentures, as the case may be, believe that the statement fairly represented the facts or was true;

(*b*) with respect to every misleading or untrue statement purporting to be a statement by or contained in what purports to be a copy of or extract from a report or valuation of an expert, that it fairly represented the statement, or was a correct and fair copy of or extract from the report or valuation: Provided that the director, person named as director, promoter or person who authorised the issue of the prospectus shall be liable to pay compensation as aforesaid if it is proved that he had no reasonable ground to believe that the person making the statement, report or valuation was competent to make it; and

(*c*) with respect to every misleading or untrue statement purporting to be a statement made by an official person or contained in what purports to be a copy of or extract from a public official document, that it was a correct and fair representation of the statement or copy of or extract from the document:

or unless it is proved—

(*i*) that having consented to become a director of the company he withdrew his consent

before the issue of the prospectus, and that it was issued without his authority or consent; or

(*ii*) that the prospectus was issued without his knowledge or consent, and that on becoming aware of its issue, he forthwith gave a reasonable public notice that it was issued without his knowledge or consent; or

(*iii*) that, after the issue of the prospectus and before allotment thereunder, he, on becoming aware of any misleading or untrue statement therein, withdrew his consent thereto, and gave reasonable public notice of the withdrawal and of the reason therefor.

(2) Where a company existing at the commencement of this Regulation has issued shares or debentures, and for the purpose of obtaining further capital by subscriptions for shares or debentures issues a prospectus, a director shall not be liable in respect of any statement therein unless he has authorised the issue of the prospectus, or has adopted or ratified it.

(3) Where the prospectus contains the name of a person as a director of the company, or as having agreed to become a director thereof, and he has not consented to become a director, or has withdrawn his consent before the issue of the prospectus, and has not authorised or consented to the issue thereof, the directors of the company, except any without whose knowledge or consent the prospectus was issued, and any other person who authorised the issue thereof, shall be liable to indemnify the person named as aforesaid against all damages, costs and expenses to which he may be made liable by reason of his name having been inserted in the prospectus, or in defending himself against any suit or legal proceedings brought against him in respect thereof.

(4) Every person who, by reason of his being a director or named as a director, or as having agreed to become a director, or of his having authorised the issue of the prospectus, becomes liable to make any payment under this section, may recover contribution, as in cases of contract from any other person who, if sued separately, would have been liable to make the same payment, unless the person who has become so liable was, and that other person was not, guilty of fraudulent misrepresentation.

(5) For the purposes of this section—

(a) the expression "promoter" means a promoter who was a party to the preparation of the prospectus, or the portion thereof containing the misleading or untrue statement, but does not include any person by reason of his acting in a professional capacity for persons engaged in procuring the formation of the company;

(b) the expression "expert" includes engineer, valuer, accountant and any other person whose profession gives authority to a statement made by him.

ALLOTMENT.

Restriction as to allotment.

101. (1) No allotment shall be made of any share capital of a company offered to the public for subscription unless the amount stated in the prospectus as the minimum amount which in the opinion of the directors must be raised by the issue of share capital in order to provide the sums or, if any part thereof is to be defrayed in any other manner, the balance of the sum required to be provided in respect of the matters specified in sub-section (2) has been subscribed, and the sum of at least five per cent thereof has been paid to or received in cash by the company.

(2) The matters for which provision for the raising of a minimum amount of share capital must be made by the directors are the following, namely :—

(a) the purchase price of any property purchased or to be purchased which is to be defrayed in whole or in part out of the proceeds of the issue,

(b) any preliminary expenses payable by the company and any commission so payable to any person in consideration of his agreeing to subscribe for or of his procuring or agreeing to procure subscriptions for any shares in the company,

(c) the repayment of any moneys borrowed by the company in respect of any of the foregoing matters, and

(d) working capital.

(2A) The amount referred to in sub-section (1) as the amount stated in the prospectus shall be reckoned exclusively of any amount payable otherwise than in cash and is in this Regulation referred to as the minimum subscription.

(2B) All moneys received from applicants for shares shall be deposited and kept in a bank approved by Government, until returned in accordance with the provisions of sub-section (4) or until the certificate to commence business is obtained under section 103.

(2C) In the event of any contravention of the provisions of sub-section (2B) every promoter, director or other person knowingly responsible for such contravention shall be liable to a fine not exceeding five hundred rupees.

(3) The amount payable on application on each share shall not be less than five per cent of the nominal amount of the share.

(4) If the conditions aforesaid have not been complied with on the expiration of one hundred and eighty days after the first issue of the prospectus, all money received from applicants for shares shall be forthwith repaid to them without interest, and, if any, such money is not so repaid within one hundred and ninety days after the issue of the prospectus, the directors of the company shall be jointly and severally liable to repay that money with interest at the rate of seven per cent per annum from the expiration of the one hundred and ninetieth day: Provided that a director shall not be liable if he proves that the loss of the money was not due to any misconduct or negligence on his part.

(5) Any condition requiring or binding any applicant for shares to waive compliance with any requirement of this section shall be void.

(6) This section, except sub-section (3) thereof, shall not apply to any allotment of shares subsequent to the first allotment of shares offered to the public for subscription.

(7) In the case of the first allotment of share capital payable in cash of a company which does not issue any invitation to the public to subscribe for its shares, no allotment shall be made unless the minimum subscription (that is to say),—

(*a*) the amount (if any) fixed by the memorandum of articles and named in the statement in

lieu of prospectus as the minimum subscription upon which the directors may proceed to allotment; or

(*b*) if no amount is so fixed and named, the whole amount of the share capital other than that issued or agreed to be issued as fully or partly paid up otherwise than in cash;

has been subscribed and an amount not less than five per cent of the nominal amount of each share payable in cash has been paid to and received by the company.

(8) Sub-section (7) shall not apply to a private company or to a company which has allotted any shares or debentures before the commencement of this Regulation.

Effect of irregular allotment.

102. (1) An allotment made by a company to an applicant in contravention of the provisions of section 101 shall be voidable at the instance of the applicant within one month after the holding of the statutory meeting of the company and not later or in any case where the company is not required to hold a statutory meeting or where the allotment is made after the holding of the statutory meeting within one month after the date of the allotment and not later, and shall be so voidable notwithstanding that the company is in course of being wound up.

(2) If any director of a company knowingly contravenes or permits or authorises the contravention of any of the provisions of section 101 with respect to allotment, he shall be liable to compensate the company and the allottee respectively for any loss, damages or costs which the company or the allottee may have sustained or incurred thereby: Provided that proceedings to recover any such loss, damages or costs shall not be commenced after the expiration of two years from the date of the allotment.

Restrictions on commencement of business.

103. (1) A company shall not commence any business or exercise any borrowing powers unless—

(*a*) shares held subject to the payment of the whole amount thereof in cash have been allotted to an amount not less in the whole than the minimum subscription; and

(*b*) every director of the company has paid to the company on each of the shares taken or contracted to be taken by him, and for which

he is liable to pay in cash, a proportion equal to the proportion payable on application and allotment on the shares offered for public subscription or, in the case of a company which does not issue a prospectus inviting the public to subscribe for its shares, on the shares payable in cash; and

(*c*) there has been filed with the registrar a duly verified declaration by the secretary or one of the directors, in the prescribed form, that the aforesaid conditions have been complied with; and

(*d*) in the case of a company which does not issue a prospectus inviting the public to subscribe for its shares, there has been filed with the registrar a statement in lieu of prospectus.

(2) The registrar shall, on the filing of a duly verified declaration, in accordance with the provisions of this section, certify that the company is entitled to commence business, and that certificate shall be conclusive evidence that the company is so entitled:

Provided that, in the case of a company which does not issue a prospectus inviting the public to subscribe for its shares, the registrar shall not give such a certificate unless a statement in lieu of prospectus has been filed with him.

(3) Any contract made by a company before the date at which it is entitled to commence business shall be provisional only, and shall not be binding on the company until that date, and on that date it shall become binding.

(4) Nothing in this section shall prevent the simultaneous offer for subscription or allotment of any shares and debentures or the receipt of any money payable on application for debentures.

(5) If any company commences business or exercises borrowing powers in contravention of this section, every person who is responsible for the contravention shall, without prejudice to any other liability, be liable to a fine not exceeding five hundred rupees for every day during which the contravention continues.

(6) Nothing in this section shall apply to a private company, or to a company registered before the commencement of this Regulation which does not issue a prospectus inviting the public to subscribe for its shares,

or, in so far as its provisions relate to shares, to a company limited by guarantee and not having a share capital.

Return as to allotments.

104. (1) Whenever a company having a share capital makes any allotment of its shares, the company shall, within one month thereafter,—

(*a*) file with the registrar a return of the allotments, stating the number and nominal amount of the shares comprised in the allotment, the names, addresses and descriptions of the allottees, and the amount (if any) paid or due and payable on each share; and

(*b*) in the case of shares allotted as fully or partly paid up otherwise than in cash, produce for the inspection and examination of the registrar a contract in writing constituting the title of the allottee to the allotment together with any contract of sale, or for services or other consideration in respect of which that allotment was made, such contracts being duly stamped, and file with the registrar copies verified in the prescribed manner of all such contracts and a return stating the number and nominal amount of shares so allotted, the extent to which they are to be treated as paid up, and the consideration for which they have been allotted.

(2) Where such a contract as above mentioned is not reduced to writing, the company shall, within one month after the allotment, file with the registrar the prescribed particulars of the contract, stamped with the same stamp-duty as would have been payable if the contract had been reduced to writing, and these particulars shall be deemed to be an instrument within the meaning of the Mysore Stamp Regulation, 1900, and the registrar may, as a condition of filing the particulars, require that the duty payable thereon be adjudicated under section 31 of that Regulation.

(3) If default is made in complying with the requirements of this section, every officer of the company who is knowingly a party to the default shall be liable to a fine not exceeding five hundred rupees for every day during which the default continues:

Provided that in case of default in filing with the registrar within one month after the allotment any document required to be filed by this section, the company, or any person liable for the default, may apply to the Court for relief, and the Court, if satisfied that the omission to file the document was accidental or due to inadvertence or that on other grounds it is just and equitable to grant relief, may make an order extending the time for the filing of the document for such a period as the Court may think proper.

(4) Nothing in this section shall apply to the issue and allotment by a company of shares which under the provisions of its articles were forfeited for non-payment of calls

Commissions and Discounts.

Power to pay certain commissions and prohibition of payment of all other commissions, discounts, etc.

105. (1) It shall be lawful for a company to pay a commission to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares in the company, or procuring or agreeing to procure subscriptions, whether absolute or conditional, for any shares in the company, if the payment of the commission is authorised by the articles and the commission paid or agreed to be paid does not exceed the amount or rate so authorised, and if the amount or rate per cent of the commission paid or agreed to be paid is—

(*a*) in the case of shares offered to the public for subscription, disclosed in the prospectus; or

(*b*) in the case of shares not offered to the public for subscription, disclosed in the statement in lieu of prospectus, or in a statement in the prescribed form signed in like manner as a statement in lieu of prospectus and filed with the registrar and, where a circular or notice, not being a prospectus inviting subscription for the shares, is issued, also disclosed in that circular or notice.

(2) Save as aforesaid and save as provided in section 105-A, no company shall apply any of its shares or capital money either directly or indirectly in payment of any commission, discount or allowance, to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares of the

company, or procuring or agreeing to procure subscriptions, whether absolute or conditional, for any shares in the company, whether the shares or money be so applied by being added to the purchase money of any property acquired by the company or to the contract price of any work to be executed for the company, or the money be paid out of the nominal purchase money or contract price, or otherwise.

(3) Nothing in this section shall affect the power of any company to pay such brokerage as it has heretofore been lawful for a company to pay, and a vendor to, promoter of, or other person who receives payment in money or shares from, a company shall have and shall be deemed always to have had power to apply any part of the money or shares so received in payment of any commission, the payment of which, if made directly by the company, would have been legal under this section.

Power to issue shares at a discount.

105A. (1) Subject to the provisions of this section, it shall be lawful for a company to issue at a discount shares in the company of a class already issued:

Provided that—

(*a*) the issue of the shares at a discount must be authorised by resolution passed in general meeting of the company and must be sanctioned by the Court;

(*b*) the resolution must specify the maximum rate of discount (not exceeding ten per cent in any case) at which shares are to be issued;

(*c*) not less than one year must at the date of issue have elapsed since the date on which the company was entitled to commence business;

(*d*) the shares to be issued at a discount must be issued within six months after the date on which the issue is sanctioned by the Court or within such extended time as the Court may allow.

(2) Every prospectus relating to the issue of the shares and every balance-sheet issued by the company subsequently to the issue of the shares must contain particulars of the discount allowed on the issue of the shares or of so much of that discount as has not been written off at the date of the issue of the document in question.

(3) If default is made in complying with sub-section (2), the company and every officer of the company who is in default shall be liable to a fine not exceeding fifty rupees.

Issue of redeemable preference shares.

105B. (1) Subject to the provisions of this section, a company limited by shares may, if so authorised by its articles, issue preference shares which are, or at the option of the company are to be, liable to be redeemed:

Provided that—

(*a*) no such shares shall be redeemed except out of profits of the company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purposes of the redemption or out of sale proceeds of any property of the company;

(*b*) no such shares shall be redeemed unless they are fully paid;

(*c*) where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall out of profits which would otherwise have been available for dividend be transferred to a reserve fund, to be called "the capital redemption reserve fund", a sum equal to the amount applied in redeeming the shares, and the provisions of this Regulation relating to the reduction of the share capital of a company shall, except as provided in this section, apply as if the capital redemption reserve fund were paid-up share capital of the company;

(*d*) where any such shares are redeemed out of the proceeds of a fresh issue, the premium, if any, payable on redemption must have been provided for out of the profits of the company before the shares are redeemed.

(2) There shall be included in every balance-sheet of a company which has issued redeemable preference shares a statement specifying what part of the issued capital of the company consists of such shares and the date on or before which those shares are, or are to be, liable to be redeemed or, where no definite date is fixed for redemption, the period of notice to be given for redemption.

If a company fails to comply with the provisions of this sub-section, the company and every officer of the

company who is in default shall be liable to a fine not exceeding one thousand rupees.

(3) Subject to the provisions of this section, the redemption of preference shares thereunder may be effected on such terms and in such manner as may be provided by the articles of the company.

(4) Where in pursuance of this section a company has redeemed or is about to redeem any preference shares, it shall have power to issue shares up to the nominal amount of the shares redeemed or to be redeemed as if those shares had never been issued, and accordingly the share capital of the company shall not for the purpose of calculating the fees payable under section 249 be deemed to be increased by the issue of shares in pursuance of this sub-section:

Provided that, where new shares are issued before the redemption of the old shares, the new shares shall not, so far as relates to stamp duty, be deemed to have been issued in pursuance of this sub-section unless the old shares are redeemed within one month after the issue of the new shares.

(5) Where new shares have been issued in pursuance of the last foregoing sub-section, the capital redemption reserve fund may, notwithstanding anything in this section, be applied by the company, up to an amount equal to the nominal amount of the shares so issued, in paying up unissued shares of the company to be issued to members of the company as fully paid bonus shares.

Further issue of capital.

105C. Where the directors decide to increase the capital of the company by the issue of further shares such shares shall be offered to the members in proportion to the existing shares held by each member (irrespective of class) and such offer shall be made by notice specifying the number of shares to which the member is entitled, and limiting a time within which the offer, if not accepted, will be deemed to be declined; and after the expiration of such time, or on receipt of an intimation from the member to whom such notice is given, that he declines to accept the shares offered, the directors may dispose of the same in such manner as they think most beneficial to the company.

Statement in balance-sheet as to commissions and discounts.

106. Where a company has paid any sums by way of commission in respect of any shares or debentures, or allowed any sums by way of discount in respect of any debentures, the total amount so paid or allowed or so

much thereof as has not been written off, shall be stated in every balance-sheet of the company until the whole amount thereof has been written off.

PAYMENT OF INTEREST OUT OF CAPITAL.

107. Where any shares of a company are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings or the provision of any plant which cannot be made profitable for a lengthened period, the company may pay interest on so much of that share capital as is for the time being paid-up for the period and subject to the conditions and restrictions in this section mentioned, and may charge the same to capital as part of the cost of construction of the work or building, or the provision of plant:

Power of company to pay interest out of capital in certain cases.

Provided that—

(1) no such payment shall be made unless the same is authorised by the articles or by special resolution;

(2) no such payment, whether authorised by the articles or by special resolution, shall be made without the previous sanction of the Government, which sanction shall be conclusive evidence for the purposes of this section that the shares of the company, in respect of which such sanction is given, have been issued for a purpose specified in this section;

(3) before sanctioning any such payment, the Government may, at the expense of the company, appoint a person to inquire and report to it as to the circumstances of the case, and may, before making the appointment, require the company to give security for the payment of the costs of the inquiry;

(4) the payment shall be made only for such period as may be determined by the Government; and such period shall in no case extend beyond the close of the half-year next after the half-year during which the works or buildings have been actually completed or the plant provided;

(5) the rate of interest shall in no case exceed four per cent. per annum or such lower rate as the Government may, by notification in the official Gazette, prescribe;

(6) the payment of the interest shall not operate as a reduction of the amount paid-up on the shares in respect of which it is paid;

(7) the accounts of the company shall show the share capital on which, and the rate at which, interest has been paid out of capital during the period to which the accounts relate.

CERTIFICATES OF SHARES, ETC.

Limitation of time for issue of certificates.

108. (1) Every company shall within three months after the allotment of any of its shares, debentures or debenture stock, and within three months after the registration of the transfer of any such shares, debentures or debenture stock, complete and have ready for delivery the certificates of all shares, the debentures, and the certificates of all debenture stock allotted or transferred, unless the conditions of issue of the shares, debentures or debenture stock otherwise provide.

(2) If default is made in complying with the requirements of this section, the company, and every officer of the company who is knowingly a party to the default, shall be liable to a fine not exceeding fifty rupees for every day during which the default continues.

INFORMATION AS TO MORTGAGES, CHARGES, ETC.

Certain mortgages and charges to be void if not registered.

109. (1) Every mortgage or charge created after the commencement of this Regulation by a company and being either—

(*a*) a mortgage or charge for the purpose of securing any issue of debentures; or

(*b*) a mortgage or charge on uncalled share capital of the company; or

(*c*) a mortgage or charge on any immoveable property wherever situate, or any interest therein; or

(*d*) a mortgage or charge on any book debts of the company; or

(*e*) a mortgage or a charge, not being a pledge on any moveable property of the company except stock-in-trade; or

(*f*) a floating charge on the undertaking or property of the company;

shall, so far as any security on the company's property or undertaking is thereby conferred, be void against the liquidator and any creditor of the company, unless the prescribed particulars of the mortgage or charge, together

with the instrument (if any) by which the mortgage or charge is created or evidenced, or a copy thereof verified in the prescribed manner are filed with the registrar for registration in manner required by this Regulation within twenty-one days after the date of its creation, but without prejudice to any contract or obligation for repayment of the money thereby secured, and when a mortgage or charge becomes void under this section, the money secured thereby shall immediately become payable:

Provided that--

(*i*) in the case of a mortgage or charge created out of Mysore, comprising solely property situate outside Mysore, twenty-one days after the date on which the instrument or copy could, in due course of post, and if despatched with due diligence, have been received in Mysore shall be substituted for twenty-one days after the date of the creation of the mortgage or charge, as the time within which the particulars and instrument or copy are to be filed with the registrar; and

(*ii*) where the mortgage or charge is created in Mysore but comprises property outside Mysore, the instrument creating or purporting to create the mortgage or charge or a copy thereof verified in the prescribed manner may be filed for registration notwithstanding that further proceedings may be necessary to make the mortgage or charge valid or effectual according to the law of the country in which the property is situate; and

(*iii*) where a negotiable instrument has been given to secure payment of any book debts of a company, the deposit of the instrument for the purpose of securing an advance to the company shall not for the purposes of this section be treated as a mortgage or charge on those book debts; and

(*iv*) the holding of debentures entitling the holder to a charge on immoveable property shall not be deemed to be an interest in immoveable property.

(2) Where any mortgage or charge on any property of a company required to be registered under this

section has been so registered, any person acquiring such property or any part thereof, or any share or interest therein, shall be deemed to have notice of the said mortgage or charge as from the date of such registration.

Registration of charges on properties acquired subject to charge.

109-A. (1) Where after the commencement of this Regulation, a company registered in Mysore acquires any property which is subject to a charge of any such kind as would, if it had been created by the company after the acquisition of the property, have been required to be registered under this Part, the company shall cause the prescribed particulars of the charge, together with a copy (certified in the prescribed manner to be a correct copy) of the instrument, if any, by which the charge was created or is evidenced, to be delivered to the registrar for registration in manner required by this Regulation within twenty-one days after the date on which the acquisition is completed:

Provided that, if the property is situate and the charge was created outside Mysore, twenty-one days after the date on which the copy of the instrument could in due course of post, and if despatched with due diligence, have been received in Mysore shall be substituted for twenty-one days after the completion of the acquisition as the time within which the particulars and the copy of the instrument are to be delivered to the registrar.

(2) If default is made in complying with this section, the company and every officer of the company who is knowingly and wilfully in default shall be liable to a fine of five hundred rupees."

Particulars in case of series of debentures entitling holders *pari passu*.

110. Where a series of debentures containing, or giving by reference to any other instrument, any charge to the benefit of which the debenture-holders of that series are entitled *pari passu* is created by a company, it shall be sufficient for the purposes of section 109 if there are filed with the registrar within twenty-one days after the execution of the deed containing the charge or, if there is no such deed, after the execution of any debentures of the series, the following particulars :—

(*a*) the total amount secured by the whole series; and

(*b*) the dates of the resolutions authorising the issue of the series and the date of the covering deed (if any) by which the security is created or defined; and

(*c*) a general description of the property charged; and

(*d*) the names of the trustees (if any) for the debenture-holders;

together with the deed or a copy thereof verified in the prescribed manner containing the charge, or if there is no such deed, one of the debentures of the series, and the registrar shall, on payment of the prescribed fee, enter those particulars in the register:

Provided that, where more than one issue is made of debentures in the series, there shall be filed with the registrar for entry in the register particulars of the date and amount of each issue, but an omission to do this shall not affect the validity of the debentures issued.

Particulars in case of commission, etc., on debentures

111. Where any commission, allowance or discount has been paid or made either directly or indirectly by the company to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any debentures of the company, or procuring or agreeing to procure subscriptions, whether absolute or conditional, for any such debentures, the particulars required to be filed for registration under sections 109 and 110 shall include particulars as to the amount or rate per cent of the commission, discount or allowance so paid or made, but an omission to do this shall not affect the validity of the debentures issued:

Provided that the deposit of any debentures as security for any debt of the company shall not for the purposes of this provision be treated as the issue of the debentures at a discount.

Register of mortgages and charges.

112. (1) The registrar shall keep, with respect to each company, a register in the prescribed form of all the mortgages and charges created by the company after the commencement of this Regulation and requiring registration under section 109, and shall, on payment of the prescribed fee, enter in the register, with respect to every such mortgage or charge, the date of creation, the amount secured by it, short particulars of the property mortgaged or charged, and the names of the mortgagees or persons entitled to the charge.

(2) After making the entry required by sub-section (1), the registrar shall return the instrument (if any) or the verified copy thereof, as the case may be, filed in accordance with the provisions of section 109 or section 110 to the person filing the same.

(3) The register kept in pursuance of this section shall be open to inspection by any person on payment of

the prescribed fee, not exceeding one rupee for each inspection.

Index to register of mortgages and charges.

113. The registrar shall keep a chronological index, in the prescribed form and with the prescribed particulars, of the mortgages or charges registered with him under this Regulation.

Certificate of registration.

114. The registrar shall give a certificate under his hand of the registration of any mortgage or charge registered in pursuance of section 109, stating the amount thereby secured, and the certificate shall be conclusive evidence that the requirements of sections 109 to 112 as to registration have been complied with.

Endorsement of certificate of registration on debenture or certificate of debenture stock.

115. The company shall cause a copy of every certificate of registration, given under section 114, to be endorsed on every debenture or certificate of debenture stock which is issued by the company, and the payment of which is secured by the mortgage or charge so registered:

Provided that nothing in this section shall be construed as requiring a company to cause a certificate of registration of any mortgage or charge so given to be endorsed on any debenture or certificate of debenture stock which has been issued by the company before the mortgage or charge was created.

Duty of company and right of interested party as regards registration.

116. (1) It shall be the duty of the company to file with the registrar for registration the prescribed particulars of every mortgage or charge created by the company and of the issues of debentures of a series, requiring registration under section 109, but registration of any mortgage or charge may be effected on the application of any person interested therein.

(2) Where the registration is effected on the application of some person other than the company, that person shall be entitled to recover from the company the amount of any fees properly paid by him to the registrar on the registration.

(3) Whenever the terms or conditions or extent or operation of any mortgage or charge registered under this section are modified, it shall be the duty of the company to send to the registrar the particulars of such modification, and the provisions of this section as to registration of mortgage or a charge shall apply to such modification of the mortgage or charge as aforesaid.

117. Every company shall cause a copy of every instrument creating any mortgage or charge requiring registration under section 109 to be kept at the registered office of the company: Provided that, in the case of a series of uniform debentures, a copy of one such debenture shall be sufficient.

Copy of instrument creating mortgage or charge to be kept at registered office.

118. (1) If any person obtains an order for the appointment of a receiver of the property of a company, or appoints such a receiver under any powers contained in any instrument, he shall, within fifteen days from the date of the order or of the appointment under the powers contained in the instrument, file notice of the fact with the registrar, and the registrar shall, on payment of the prescribed fee, enter the fact in the register of mortgages and charges.

Registration of appointment of receiver.

(2) If any person makes default in complying with the requirements of this section, he shall be liable to a fine not exceeding fifty rupees for every day during which the default continues.

119. (1) Every receiver of the property of a company who has been appointed under the powers contained in any instrument, and who has taken possession, shall once in every half-year while he remains in possession, and also on ceasing to act as receiver, file with the registrar an abstract, in the prescribed form, of his receipts and payments during the period to which the abstract relates and shall also, on ceasing to act as receiver, file with the registrar notice to that effect, and the registrar shall enter the notice in the register of mortgages and charges.

Filing of accounts of receivers.

(2) Where a receiver of the property of a company has been appointed, every invoice, order for goods, or business letter issued by or on behalf of the company, or the receiver of the company, being a document on or in which the name of the company appears, shall contain a statement that a receiver has been appointed.

(3) If default is made in complying with the requirements of this section, the company and every director, manager, managing agent, secretary or other officer of the company and every receiver who knowingly and wilfully authorises or permits the default, shall be liable to a fine not exceeding two hundred rupees.

Rectification of register of mortgages.

120. (1) The Court, on being satisfied that the omission to register a mortgage or charge within the time required by section 109, or that the omission or mis-statement of any particular with respect to any such mortgage or charge, or the omission to give intimation to the registrar of the payment or satisfaction of a debt for which a charge or mortgage was created was accidental, or due to inadvertence or to some other sufficient cause, or is not of a nature to prejudice the position of creditors or shareholders of the company, or that on other grounds it is just and equitable to grant relief, may, on the application of the company or any person interested, and on such terms and conditions as seem to the Court just and expedient, order that the time for registration be extended, or, as the case may be, that the omission or mis-statement be rectified, and may make such order as to the costs of the application as it thinks fit.

(2) Where the Court extends the time for the registration of a mortgage or charge, the order shall not prejudice any rights acquired in respect of the property concerned prior to the time when the mortgage or charge is actually registered.

Registration of satisfaction of mortgages and charges.

121. (1) It shall be the duty of the company to give intimation to the registrar of the payment or satisfaction of any charge or mortgage created by the company and requiring registration under section 109 within twenty-one days from the date of the payment or satisfaction thereof.

(2) The registrar shall on receipt of such intimation cause a notice to be sent to the mortgagee calling upon him to show cause, within a time (not exceeding fourteen days) to be fixed by such notice, why the payment or satisfaction of the charge or mortgage should not be recorded.

(3) The registrar shall, if no cause is shown, order that a memorandum of satisfaction be entered on the register and shall if required furnish the company with a copy thereof.

(4) Where cause is shown, the registrar shall record a note to that effect in the register, and shall inform the company that he has done so.

Penalties.

122. (1) If any company makes default in filing with the registrar for registration the particulars—

(*a*) of any mortgage or charge created by the company; or

(b) of the payment or satisfaction of a debt in respect of which a mortgage or charge has been registered under section 109 or section 109A; or

(c) of the issues of debentures of a series, requiring registration with the registrar under the foregoing provisions of this Regulation, then, unless the registration has been effected on the application of some other person the company, and every officer of the company or other person who is knowingly a party to the default, shall on conviction be liable to a fine not exceeding five hundred rupees for every day during which the default continues.

(2) Subject as aforesaid, if any company makes default in complying with any of the requirements of this Regulation as to the registration with the registrar of any mortgage or charge created by the company, the company, and every officer of the company, who knowingly and wilfully authorises or permits the default shall, without prejudice to any other liability, be liable on conviction to a fine not exceeding one thousand rupees.

(3) If any person knowingly and wilfully authorises or permits the delivery of any debenture or certificate of debenture stock requiring registration with the registrar under the foregoing provisions of this Regulation without a copy of the certificate of registration being endorsed upon it, he shall, without prejudice to any other liability, be liable on conviction to a fine not exceeding one thousand rupees.

Company's register of mortgages.

123. (1) Every company shall keep a register of mortgages and enter therein all mortgages and charges specifically affecting property of the company and all floating charges on the undertaking or on any property of the company, giving in each case a short description of the property mortgaged or charged, the amount of the mortgage or charge and (except in the case of securities to bearer) the names of the mortgagees or persons entitled thereto.

(2) If any director, manager or other officer of the company knowingly and wilfully authorises or permits the omission of any entry required to be made in pursuance of this section, he shall be liable to a fine not exceeding five hundred rupees.

Right to inspect copies of instruments creating mortgages and charges, and company's register of mortgages.

124. (1) The copies kept at the registered office of the company in pursuance of section 117 of instruments creating any mortgage or charge requiring registration under this Regulation with the registrar, and the register of mortgages kept in pursuance of section 123 shall be open at all reasonable times to the inspection of any creditor or member of the company without fee, and the register of mortgages shall also be open to the inspection of any other person on payment of such fee, not exceeding one rupee for each inspection, as the company may prescribe.

(2) If inspection of the said copies or register is refused, the company shall be liable to a fine not exceeding fifty rupess and a further fine not exceeding twenty rupees for every day during which the refusal continues, and every officer of the company who knowingly authorises or permits the refusal shall incur the like penalty, and in addition to the above penalty, the Court may by order compel an immediate inspection of the copies or register.

Right to inspect the register of debenture-holders and to have copies of trust deed.

125. (1) Every register of holders of debentures of a company shall, except when closed in accordance with the articles during such period or periods (not exceeding in the whole thirty days in any year) as may be specified in the articles, be open to the inspection of the registered holder of any such debentures, and of any holder of shares in the company, but subject to such reasonable restrictions as the company may in general meeting impose, so that at least two hours in each day are appointed for inspection, and every such holder may require a copy of the register or any part thereof on payment of six annas for every one hundred words or fractional part thereof required to be copied.

(2) A copy of any trust-deed for securing any issue of debentures shall be forwarded to every holder of any such debentures at his request on payment in the case of a printed trust-deed of the sum of one rupee or such less sum as may be prescribed by the company, or, where the trust-deed has not been printed, on payment of six annas for every one hundred words or fractional part thereof required to be copied.

(3) If inspection is refused, or a copy is refused or not forwarded, the company shall be liable to a fine not exceeding fifty rupees, and to a further fine not exceeding twenty rupees for every day during which the refusal continues, and every officer of the company who knowingly

authorises or permits the refusal shall incur the like penalty, and the Court may by order compel an immediate inspection of the register.

Debentures and Floating Charges.

Perpetual debentures.

126. A condition contained in any debentures or in any deed for securing any debentures, whether issued or executed before or after the passing of this Regulation, shall not be invalid by reason only that thereby the debentures are made irredeemable or redeemable only on the happening of a contingency, however remote, or on the expiration of a period, however long.

Power to re-issue redeemed debentures in certain cases.

127. (1) Where either before or after the commencement of this Regulation a company has redeemed any debentures previously issued, the company, unless the articles or the conditions of issue expressly otherwise provide, or unless the debentures have been redeemed in pursuance of any obligation on the company so to do (not being an obligation enforceable only by the person to whom the redeemed debentures were issued or his assigns), shall have power, and shall be deemed always to have had power, to keep the debentures alive for the purposes of re-issue, and where a company has purported to exercise such a power the company shall have power, and shall be deemed always to have had power, to re-issue the debentures either by re-issuing the same debentures or by issuing other debentures in their place, and upon such re-issue, the person entitled to the debentures shall have, and shall be deemed always to have had, the same rights and priorities as if the debentures had not previously been issued.

(2) Where with the object of keeping debentures alive for the purpose of re-issue, they have, either before or after the commencement of this Regulation, been transferred to a nominee of the company, a transfer from that nominee shall be deemed to be a re-issue for the purposes of this section.

(3) Where a company has, either before or after the commencement of this Regulation, deposited any of its debentures to secure advances from time to time on current account or otherwise, the debentures shall not be deemed to have been redeemed by reason only of the account of the company having ceased to be in debit whilst the debentures remained so deposited.

(4) The re-issue of a debenture or the issue of another debenture in its place under the power by this section given to, or deemed to have been possessed by, a company, whether the re-issue or issue was made before or after the commencement of this Regulation, shall be treated as the issue of a new debenture for the purposes of stamp duty, but it shall not be so treated for the purposes of any provision limiting the amount or number of debentures to be issued:

Provided that any person lending money on the security of a debenture re-issued under this section, which appears to be duly stamped, may give the debenture in evidence in any proceedings for enforcing his security without payment of the stamp-duty or any penalty in respect thereof, unless he had notice or, but for his negligence, might have discovered, that the debenture was not duly stamped, but in any such case the company shall be liable to pay the proper stamp-duty and penalty.

(5) Nothing in this section shall prejudice—

(*a*) the operation of any decree or order of a Court of competent jurisdiction pronounced or made before the commencement of this Regulation, as between the parties to the proceedings in which the decree or order was made, and any appeal from any such decree or order shall be decided as if this Regulation had not been passed; or

(*b*) any power to issue debentures in the place of any debentures paid off or otherwise satisfied or extinguished, reserved to a company by its debentures or the securities for the same.

Specific performance of contract to subscribe for debentures.

128. A contract with a company to take up and pay for any debentures of the company may be enforced by a decree for specific performance.

Payments of certain debts out of assets subject to floating charge in priority to claims under the charge.

129. (1) Where either a receiver is appointed on behalf of the holders of any debentures of a company secured by a floating charge, or possession is taken by or on behalf of those debenture-holders of any property comprised in or subject to the charge, then, if the company is not at the time in course of being wound up, the debts which in every winding up are under the provisions of Part V relating to preferential payments to be paid in priority to all other debts, shall be paid forthwith out of any assets coming to the hands of the receiver or other

person taking possession as aforesaid in priority to any claim for principal or interest in respect of the debentures.

(2) The periods of time mentioned in the said provisions of Part V shall be reckoned from the date of the appointment of the receiver or of possession being taken as aforesaid, as the case may be.

(3) Any payments made under this section shall be recouped, as far as may be, out of the assets of the company available for payment of general creditors.

STATEMENTS, BOOKS AND ACCOUNTS.

130. (1) Every company shall cause to be kept proper books of account with respect to— Books to be kept by company and penalty for not keeping proper books.

(*a*) all sums of money received and expended by the company and the matters in respect of which the receipt and expenditure takes place;

(*b*) all sales and purchases of goods by the company;

(*c*) the assets and liabilities of the company.

(2) The books of account shall be kept at the registered office of the company or at such other place as the directors think fit, and shall be open to inspection by the directors during business hours.

(3) In the case of a company managed by a managing agent, the managing agent, or where the managing agent is a firm or company, the partner or director of such firm or company and in any other case the director or directors who have knowingly by their act or omission been the cause of any default by the company in complying with the requirements of this section, shall in respect of such offence be liable to a fine not exceeding one thousand rupees.

131. (1) The directors of every company shall at some date not later than eighteen months after the incorporation of the company and subsequently once at least in every calendar year lay before the company in general meeting a balance-sheet and profit and loss account or in the case of a company not trading for profit an income and expenditure account for the period, in the case of the first account since the incorporation of the company and in any other case since the preceding Annual balance-sheet.

account, made up to a date not earlier than the date of the meeting by more than nine months or in the case of a company carrying on business or having interests outside Mysore by more than twelve months:

Provided that the registrar may for any special reason extend the period by a period not exceeding three months.

(2) The balance-sheet and the profit and loss account or income and expenditure account shall be audited by the auditor of the company as hereinafter provided, and the auditor's report shall be attached thereto, or there shall be inserted at the foot thereof a reference to the report and the report shall be read before the company in general meeting and shall be open to inspection by any member of the company.

(3) Every company other than a private company shall send a copy of such balance-sheet and profit and loss account or income and expenditure account so audited together with a copy of the auditors' report to the registered address of every member of the company at least fourteen days before the meeting at which it is to be laid before the members of the company, and shall deposit a copy at the registered office of the company for the inspection of the members of the company during a period of at least fourteen days before the meeting.

Directors' report.

131A. (1) The directors shall make out and attach to every balance-sheet a report with respect to the state of the company's affairs, the amount, if any, which they recommend should be paid by way of dividend and the amount, if any, which they propose to carry to the Reserve Fund, General Reserve or Reserve Account shown specifically on the balance-sheet or to a Reserve Fund, General Reserve or Reserve Account to be shown specifically in a subsequent balance-sheet.

(2) The report referred to in sub-section (1) may be signed by the chairman of the directors on behalf of the directors if authorised in that behalf by the directors.

(3) The provisions of sub-section (3) of section 130 shall apply to any person being a director who is knowingly and wilfully guilty of a default in complying with this section.

132. (1) The balance-sheet shall contain a summary of the property and assets and of the capital and liabilities of the company giving such particulars as will

disclose the general nature of those liabilities and assets and how the value of the fixed assets has been arrived at.

Contents of balance-sheet.

(2) The balance-sheet shall be in the form marked F in the Third Schedule or as near thereto as circumstances admit.

(3) The profit and loss account shall include particulars showing the total of the amount paid whether as fees, percentages or otherwise to the managing agent, if any, and the directors respectively as remuneration for their services and, where a special resolution passed by the members of the company so requires, to the manager, and the total of the amount written off for depreciation. If any director of the company is by virtue of the nomination, whether direct or indirect, of the company, a director of any other company, any remuneration or other emoluments received by him for his own use, whether as a director of, or otherwise in connection with the management of, that other company, shall be shown in a note at the foot of the account or in a statement attached thereto.

Balance-sheet to include particulars as to subsidiary companies.

132A. (1) Where a company, in this Regulation referred to as the holding company, holds shares, either directly or through a nominee, in a subsidiary company or in two or more subsidiary companies, there shall be annexed to the balance-sheet of the holding company the last audited balance-sheet, profit and loss account and auditors' report of the subsidiary company or companies, and a statement signed by the persons by whom, in pursuance of section 133 the balance-sheet of the holding company is signed stating how the profits and losses of the subsidiary company, or, where there are two or more subsidiary companies, the aggregate profits and losses of those companies, have been dealt with in or for the purposes of the accounts of the holding company, and in particular how and to what extent—

(*a*) provision has been made for the losses of a subsidiary company either in the accounts of that company or of the holding company or of both, and

(*b*) losses of a subsidiary company have been taken into account by the directors of the holding company in arriving at the profits and losses of the company as disclosed in its accounts :

Provided that it shall not be necessary to specify in any such statement the actual amount of the profits or

losses of any subsidiary company or the actual amount of any part of any such profits or losses which has been dealt with in any particular manner:

Provided further that for the purposes of this section an investment company, that is to say, a company whose principal business is the acquisition and holding of shares, stocks, debentures or other securities, shall not be deemed to be a holding company by reason only that part of its assets consists in 51 per cent or more of the shares of another company.

(2) If, in the case of a subsidiary company, the auditors' report on the balance-sheet of the company does not state without qualification that the auditors have obtained all the information and explanations they have required and that the balance-sheet is properly drawn up so as to exhibit a true and correct view of the state of the company's affairs according to the best of their information and the explanations given to them and as shown by the books of the company, the statement, which is to be annexed as aforesaid to the balance-sheet of the holding company, shall contain particulars of the manner in which the report is qualified.

(3) For the purposes of this section the profits or losses of a subsidiary company mean the profits or losses shown in any accounts of the subsidiary company made up to a date within the period to which the accounts of the holding company relate, or, if there are no such accounts of the subsidiary company available at the time when the accounts of the holding company are made up, the profits or losses shown in the last previous accounts of the subsidiary company which became available within that period.

(4) If for any reason the directors of the holding company are unable to obtain such information as is necessary for the preparation of the statement aforesaid, the directors who sign the balance-sheet shall so report in writing and their report shall be annexed to the balance-sheet in lieu of the statement.

(5) The holding company may by a resolution authorise representatives named in the resolution to inspect the books of account kept in accordance with section 130 by any subsidiary company, and on such resolution being passed those books of account shall be open to inspection by those representatives at any time during business hours.

(6) The rights conferred by section 138 upon members of a company may be exercised in respect of any subsidiary company by members of the holding company as if they were members of that subsidiary company.

133. (1) Save as provided by sub-section (2), the balance-sheet and profit and loss account or income and expenditure account shall— Authentication of balance-sheet.

(*i*) in the case of a banking company, be signed by the manager or managing agent (if any) and, where there are more than three directors of the company, by at least three of these directors, and where there are not more than three directors, by all the directors;

(*ii*) in the case of any other company, be signed by two directors or, when there are less than two directors, by the sole director and by the manager or managing agent (if any) of the company.

(2) When the total number of directors of the company for the time being in Mysore is less than the number of directors whose signatures are required by sub-section (1), then the balance-sheet and profit and loss account or income and expenditure account shall be signed by all the directors for the time being in Mysore, or, if there is only one director for the time being in Mysore by such director, but in such a case there shall be subjoined to the balance-sheet and profit and loss account or income and expenditure account a statement signed by such directors or director explaining the reason for non-compliance with the provisions of sub-section (1).

(3) If any default is made in laying before the company or in issuing a balance-sheet and profit and loss account or income and expenditure account as required by section 131 or if any balance-sheet and profit and loss account or income and expenditure account is issued, circulated or published which does not comply with the requirements laid down by and under section 131, section 132, section 132-A and this section, the company and every officer of the company who is knowingly and wilfully a party to the default shall be punishable with fine which may extend to five hundred rupees.

134. (1) After the balance-sheet and profit and loss account or the income and expenditure account, as the case may be has been laid before the company at the general meeting, copies thereof signed by the manager

Copy of balance-sheet and auditor's report to be forwarded to the Registrar.

or secretary of the company shall be filed with the registrar at the same time as the copy of the annual list of members and summary prepared in accordance with the requirements of section 32.

(2) If the general meeting before which a balance-sheet is laid does not adopt the balance-sheet, a statement of that fact and of the reasons therefor shall be annexed to the balance-sheet and to the copy thereof required to be filed with the registrar.

(3) This section shall not apply to a private company.

(4) If a company makes default in complying with the requirements of this section, the company and every officer of the company who knowingly and wilfully authorises or permits the default shall be liable to the like penalty as is provided by section 32 for a default in complying with the provisions of that section.

Right of member of company to copies of the balance-sheet and the auditor's report.

135. Save as otherwise provided in this Regulation, any member of a company shall be entitled to be furnished with copies of the balance-sheet and the profit and loss account or the income and expenditure account and the auditor's report at a charge not exceeding six annas for every hundred words or fractional part thereof.

STATEMENT TO BE PUBLISHED BY BANKING AND CERTAIN OTHER COMPANIES.

Certain companies to publish statement in schedule.

136. (1) Every company being a limited banking company or an insurance company or a deposit, provident or benefit society shall, before it commences business, and also on the first Monday in February and the first Monday in August in every year during which it carries on business, make a statement in the form marked G in the Third Schedule, or as near thereto as circumstances will admit.

(2) A copy of the statement together with a copy of the last audited balance-sheet laid before the members of the company shall be displayed and, until the display of the next following statement, kept displayed in a conspicuous place in the registered office of the company, and in every branch office or place where the business of the company is carried on.

(3) Every member and every creditor of the company shall be entitled to a copy of the statement on payment of a sum not exceeding eight annas.

(4) If a company makes default in complying with the requirements of this section, it shall be liable to a fine not exceeding fifty rupees for every day during which the default continues; and every officer of the company who knowingly and wilfully authorises or permits the default shall be liable to the like penalty.

INVESTIGATION BY THE REGISTRAR.

Power of Registrar to call for information or explanation.

137. (1) Where the registrar, on perusal of any document which a company is required to submit to him under the provisions of this Regulation, is of opinion that any information or explanation is necessary in order that such document may afford full particulars of the matter to which it purports to relate, he may, by a written order, call on the company submitting the document to furnish in writing such information or explanation within such time as he may specify in his order.

(2) On the receipt of an order under sub-section (1), it shall be the duty of all persons who are or have been officers of the company to furnish such information or explanation to the best of their power.

(3) If any such person refuses or neglects to furnish any such information or explanation, he shall be liable to a fine not exceeding fifty rupees in respect of each offence, and the Court may on the application of the registrar and upon notice to the company make an order on the company for production of such documents as in its opinion may reasonably be required by the registrar for his investigation and allow the registrar inspection thereof on such terms and conditions as it thinks fit.

(4) On receipt of such information or explanation the registrar may annex the same to the original document submitted to him; and any additional document so annexed by the registrar shall be subject to the like provisions as to inspection and the taking of copies as the original document is subject.

(5) If such information or explanation is not furnished within the specified time, or if after perusal of such information or explanation the registrar is of opinion that the document in question discloses an unsatisfactory state of affairs, or that it does not disclose a full and fair statement of the matters to which it purports to relate, the registrar shall report in writing the circumstances of the case to the Government.

(6) If it is represented to the registrar in materials placed before him by any contributory or creditor that the business of a company is carried on in fraud of its creditors or in fraud of persons dealing with the company or for a fraudulent purpose, he may after giving the company an opportunity of being heard by written order call on the company for information or explanation on matters specified in the order within such time as he may specify in the order and the provisions of sub-sections (2), (3) and (5) of this section shall apply to such order. If upon investigation the registrar is satisfied that any representation on which he has taken action under this sub-section is frivolous or vexatious, he shall disclose the identity of the informant to the company.

(7) The provisions of this section shall apply *mutatis mutandis* to documents which a liquidator is required to file under this Regulation.

INSPECTION AND AUDIT.

Investigation of affairs of company by inspectors.

138. The Government may appoint one or more competent inspectors to investigate the affairs of any company and to report thereon in such manner as the Government may direct—

(*i*) in the case of a banking company having a share capital, on the application of members holding not less than one-fifth of the shares issued;

(*ii*) in the case of any other company having a share capital, on the application of members holding not less than one-tenth of the shares issued;

(*iii*) in the case of a company not having a share capital, on the application of not less than one-fifth in number of the persons on the company's register of members;

(*iv*) in the case of any company, on a report by the registrar under section 137, sub-section (5).

Application for inspection to be supported by evidence.

139. An application by members of a company under section 138 shall be supported by such evidence as the Government may require for the purpose of showing that the applicants have good reason for, and are not actuated by malicious motive in, requiring the investigation; and the Government may, before appointing an inspector, require the applicants to give security for payment of the costs of the inquiry.

140. (1) It shall be the duty of all persons who are or have been officers of the company to produce to the inspectors all books and documents in their custody or power relating to the company.

Inspection of books and examination of officers.

(2) An inspector may examine on oath any such person in relation to its business, and may administer an oath accordingly.

(3) If any person refuses to produce any book or document which under this section it is his duty to produce, or to answer any question relating to the affairs of the company, he shall be liable to a fine not exceeding fifty rupees in respect of each offence.

141. (1) On the conclusion of the investigation, the inspectors shall report their opinion to the Government and a copy of the report shall be forwarded by the Government to the registrar and another copy to the registered office of the company, and a further copy shall, at the request of the applicants for the investigation, be delivered to them.

Results of examination how dealt with.

(2) The report shall be written or printed, as the Government directs.

(3) All expenses of, and incidental to, the investigation shall be defrayed by the applicants unless the Government directs the same to be paid by the company, which the Government is hereby authorised to do:

Provided that the expenses of, and incidental to, an investigation held in pursuance of clause (iv) of section 138 shall be paid out of the assets of the company and shall be recoverable as an arrear of land revenue.

(4) The registrar shall keep the copy of the report sent to him with the records of the company in his custody.

141-A. (1) If from any report made under section 138 it appears to the Government that any person has been guilty of any offence in relation to the company for which he is criminally liable, the Government shall refer the matter to the Government Advocate or any other officer duly authorized by the Government in this behalf.

Institution of prosecutions.

(2) If the officer to whom the matter is referred considers that the case is one in which a prosecution ought to be instituted, he shall cause proceedings to be instituted, and it shall be the duty of all officers and agents of the company, past and present (other than the accused

in the proceedings), to give to him all assistance in connection with the prosecution which they are reasonably able to give.

(3) For the purposes of sub-section (2), the expression "agents" in relation to a company shall be deemed to include the bankers and legal advisers of the company and any persons employed by the company as auditors, whether those persons are or are not officers of the company.

(4) Any director, manager or other officer of the company convicted as the result of a prosecution initiated under this section shall not without the leave of the Court be a director of or in any way whether directly or indirectly be concerned in or take part in the management of a company for a period of five years from the date of such conviction.

Power of company to appoint inspectors.

142. (1) A company may by special resolution appoint inspectors to investigate its affairs.

(2) Inspectors so appointed shall have the same powers and duties as inspectors appointed by the Government, except that, instead of reporting to the Government, they shall report in such manner and to such persons as the company in general meeting may direct.

(3) All persons who are or have been officers of the company shall incur the like penalties in case of refusal to produce any book or document required to be produced to inspectors so appointed, or to answer any question, as they would have incurred if the inspectors had been appointed by the Government.

Report of inspectors to be evidence.

143. A copy of the report of any inspectors appointed under this Regulation authenticated by the seal of the company whose affairs they have investigated, shall be admissible in any legal proceeding as evidence of the opinion of the inspectors in relation to any matter contained in the report.

Qualifications and appointment of auditors.

144. (1) No person shall be appointed or act as an auditor of any company other than a private company not being [the subsidiary company of a public company unless he holds a certificate from the Government entitling him to act as an auditor of companies:

Provided that a firm whereof all the persons practising in Mysore hold such certificates may be appointed by its firm-name to be auditor of company and may act in its firm-name,

(2) The Government may, by notification in the official Gazette and after previous publication, make rules providing for the grant, renewal or cancellation of such certificates and prescribing conditions and restrictions for such grant, renewal or cancellation. The holder of such a certificate shall be entitled to act as an auditor of companies throughout Mysore unless such certificate restricts or limits the exercise of the right.

(3) Every company shall at each annual general meeting appoint an auditor or auditors to hold office until the next annual general meeting.

(4) If an appointment of an auditor is not made at an annual general meeting, the Government may, on the application of any member of the company, appoint an auditor of the company for the current year, and fix the remuneration to be paid to him by the company for his services.

(5) The following persons: that is to say,—

(*i*) a director or officer of the company; and

(*ii*) a partner of such director or officer; and

(*iii*) in the case of a company other than a private company not being the subsidiary company of a public company any person in the employment of such director, or officer, and

(*iv*) any person indebted to the company;

shall not be appointed auditors of the company and if any person after being appointed auditor becomes indebted to the company his appointment shall thereupon be terminated.

(6) A person, other than a retiring auditor, shall not be capable of being appointed auditor at an annual general meeting unless notice of an intention to nominate that person to the office of auditor has been given by a member of the company to the company not less than fourteen days before such annual general meeting, and the company shall send a copy of any such notice to the retiring auditor, and shall give notice thereof to its members either by advertisement or in any other mode allowed by the articles not less than seven days before the annual general meeting:

Provided that, if after notice of the intention to nominate an auditor has been given to the company, an annual general meeting is called for a date fourteen days or less after the notice has been given, the requirements of this section as to time in respect of such a notice shall be deemed to have been satisfied, and the notice to be sent or given by the company may, instead of being sent or given within the time required by this section, be sent or given at the same time as the notice of the annual general meeting.

(7) The first auditors of the company may be appointed by the directors before the statutory meeting, and if so appointed shall hold office until the first annual general meeting, unless previously removed by a resolution of the members of the company in general meeting, in which case such members at that meeting may appoint auditors.

(8) The directors may fill any casual vacancy in the office of auditor, but while any such vacancy continues, the surviving or continuing auditor or auditors (if any) may act.

(9) The remuneration of the auditors of a company shall be fixed by the company in general meeting, except that the remuneration of any auditors appointed before the statutory meeting, or to fill any casual vacancy, may be fixed by the directors.

Powers and duties of auditors.

145. (1) Every auditor of a company shall have a right of access at all times to the books and accounts and vouchers of the company, and shall be entitled to require from the directors and officers of the company such information and explanation as may be necessary for the performance of the duties of the auditors.

(2) The auditors shall make a report to the members of the company on the accounts examined by them, and on every balance sheet and profit and loss account laid before the company in general meeting during their tenure of office, and the report shall state:—

(*a*) whether or not they have obtained all the information and explanations they have required; and

(*b*) whether or not in their opinion the balance-sheet and the profit and loss account referred to in the report are drawn up in conformity with the law; and

(*c*) whether or not such balance-sheet exhibits a true and correct view of the state of the company's affairs according to the best of their information and the explanations given to them, and as shown by the books of the company; and

(*d*) whether in their opinion books of account have been kept by the company as required by section 130.

(2A) Where any of the matters referred to in clauses (*a*), (*b*), (*c*) and (*d*) of sub-section (2) is answered in the negative or with a qualification, the report shall state the reason for such answer.

(3) In the case of a banking company, if the company has branch banks beyond the limits of Mysore, it shall be sufficient if the auditor is allowed access to such copies of and extracts from the books and accounts of any such branch as have been transmitted to the head office of the company in Mysore.

(4) The auditors of a company shall be entitled to receive notice of and to attend any general meeting of the company at which any accounts which have been examined or reported on by them are to be laid before the company and may make any statement or explanation they desire with respect to the accounts.

(5) If any auditors' report is made which does not comply with the requirements of this section, every auditor who is knowingly and wilfully a party to the default shall be punishable with fine which may extend to one hundred rupees.

Rights of preference shareholders, etc., as to receipts and inspection of reports, etc.

146. (1) Holders of preference shares and debentures of a company shall have the same right to receive and inspect the balance sheets and profit and loss accounts of the company and the reports of the auditors and other reports as is possessed by the holders of ordinary shares in the company.

(2) This section shall not apply to a private company, nor to a company registered before the commencement of this Regulation:

Provided that in the case of any public company whether registered before or after the commencement of this Regulation the trustees for holders of debentures shall have the right conferred by sub-section (1) on holders of preference shares and debentures of a company.

Carrying on business with less than the legal minimum of members.

Liability for carrying on business with fewer than seven or, in the case of a private company, two members.

147. If at any time the number of members of a company is reduced, in the case of a private company, below two, or in the case of any other company, below seven, and it carries on business for more than six months while the number is so reduced, every person who is a member of the company during the time that it so carries on business after those six months and is cognisant of the fact that it is carrying on business with fewer than two members or seven members, as the case may be, shall be severally liable for the payment of the whole debts of the company contracted during that time, and may be sued for the same without joinder in the suit of any other member.

Service and Authentication of Documents.

Service of documents on company.

148. A document may be served on a company by leaving it at, or sending it by post to, the registered office of the company.

Service of documents on registrar.

149. A document may be served on the registrar by sending it to him by post, or delivering it to him, or by leaving it for him at his office.

Authentication of documents.

150. A document or proceeding requiring authentication by a company may be signed by a director, secretary or other authorised officer of the company, and need not be under its common seal.

Tables, Forms and Rules as to prescribed matters.

Application and alteration of tables and forms, and power to make rules as to prescribed matters.

151. (1) The forms in the Third Schedule or forms as near thereto as circumstances admit shall be used in all matters to which those forms refer.

(2) The Government may alter any of the tables and forms in the First Schedule, so that it does not increase the amount of fees payable to the registrar in the said Schedule mentioned, and may alter or add to the forms in the Third Schedule.

(3) Any such table or form, when altered, shall be published in the official Gazette, and on such publication shall have effect as if enacted in this Regulation, but no alteration made by the Government in Table A in the

First Schedule shall affect any company registered before the alteration, or repeal, as respects that company, any portion of that table.

(4) In addition to the powers herein before conferred by this section, the Government shall have power to make rules providing for all or any matters which by this Regulation are to be prescribed by its authority.

(5) Every such rule shall be published in the official Gazette, and on such publication shall have effect as if enacted in this Regulation.

Arbitration and Compromise.

Power for companies to refer matters to arbitration.

152. (1) A company may by written agreement refer to arbitration, in accordance with the Mysore Arbitration Regulation, 1917, an existing or future difference between itself and any other company or person.

(2) Companies, parties to the arbitration, may delegate to the arbitrator power to settle any terms or to determine any matter capable of being lawfully settled or determined by the companies themselves, or by their directors or other managing body.

(3) The provisions of the Mysore Arbitration Regulation, 1917, other than those restricting the application of the Regulation in respect of the subject-matter of the arbitration, shall apply to all arbitrations between companies and persons in pursuance of this Regulation.

Power to compromise with creditors and members.

153. (1) Where a compromise or arrangement is proposed between a company and its creditors or any class of them, or between the company and its members or any class of them, the Court may, on the application in a summary way of the company or of any creditor or member of the company or, in the case of a company being wound up, of the liquidator, order a meeting of the creditors or class of creditors, or of the members of the company or class of members, as the case may be, to be called, held and conducted in such manner as the Court directs.

(2) If a majority in number representing three-fourths in value of the creditors or class of creditors, or members or class of members, as the case may be, present either in person or by proxy at the meeting, agree to any compromise or arrangement, the compromise or arrangement shall, if sanctioned by the Court, be binding on all the creditors or the class of creditors, or on all the

members or class of members, as the case may be, and also on the company, or, in the case of a company in the course of being wound up, on the liquidator and contributories of the company.

(3) An order made under sub-section (2) shall have no effect until a certified copy of the order has been filed with the registrar, and a copy of every such order shall be annexed to every copy of the memorandum of the company issued after the order has been made, or in the case of a company not having a memorandum, of every copy so issued of the instrument constituting or defining the constitution of the company.

(4) If a company makes default in complying with sub-section (3) the company and every officer of the company who is knowingly and wilfully in default shall be liable to a fine not exceeding ten rupees for each copy in respect of which default is made.

(5) The Court may, at any time after an application has been made to it under this section, stay the commencement or continuation of any suit or proceeding against a company on such terms as it thinks fit and proper until the application is finally disposed of.

(6) In this section the expression "company" means any company liable to be wound up under this Regulation, and for the purposes of this section unsecured creditors who may have filed suits or obtained decrees shall be deemed to be of the same class as other unsecured creditors.

(7) An appeal shall lie from any order made by the Court exercising original jurisdiction under this section to the authority authorised to hear appeals from the decisions of the Court.

Provisions for facilitating arrangements and compromises.

153-A. (1) Where an application is made to the Court under section 153 for the sanctioning of a compromise or arrangement proposed between a company and any such persons as are mentioned in that section, and it is shown to the Court that the compromise or arrangement has been proposed for the purposes of or in connection with a scheme for the reconstruction of any company or companies or the amalgamation of any two or more companies, and that under the scheme the whole or any part of the undertaking or the property of any company concerned in the scheme (in this section referred to as a

'transferor company') is to be transferred to another company (in this section referred to as 'the transferee company'), the Court may, either by the order sanctioning the compromise or arrangement or by any subsequent order, make provision for all or any of the following matters:—

(*a*) the transfer to the transferee company of the whole or any part of the undertaking and of the property or liabilities of any transferor company;

(*b*) the allotting or appropriation by the transferee company of any shares, debentures, policies, or other like interests in that company which under the compromise or arrangement are to be allotted or appropriated by that company to or for any person;

(*c*) the continuation by or against the transferee company of any legal proceedings pending by or against any transferor company;

(*d*) the dissolution, without winding up, of any transferor company;

(*e*) the provision to be made for any persons who, within such time and in such manner as the Court directs, dissent from the compromise or arrangement;

(*f*) such incidental, consequential and supplemental matters as are necessary to secure that the reconstruction or amalgamation shall be fully and effectively carried out.

(2) Where an order under this section provides for the transfer of property or liabilities, that property shall, by virtue of the order, be transferred to and vest in, and those liabilities shall, by virtue of the order, be transferred to and become the liabilities of, the transferee company, and in the case of any property, if the order so directs, freed from any charge which is by virtue of the compromise or arrangement to cease to have effect.

(3) Where an order is made under this section, every company in relation to which the order is made shall cause a certified copy thereof to be delivered to the registrar for registration within fourteen days after the completion of the order, and if default is made in complying with this sub-section, the company and every officer of the company who is knowingly and wilfully in default shall be liable to a fine not exceeding fifty rupees.

(4) In this section the expression 'property' includes property, rights and powers of every description, and the expression 'liabilities' includes duties.

(5) Notwithstanding the provisions of sub-section (4) of section 153, the expression 'company' in this section does not include any company other than a company within the meaning of this Regulation

Power to acquire shares of shareholders dissenting from schemes or contract approved by majority.

153-B. (1) Where a scheme or contract involving the transfer of shares or any class of shares in a company (in this section referred to as 'the transferor company') to another company, whether a company within the meaning of this Regulation or not (in this section referred to as 'the transferee company'), has within four months after the making of the offer in that behalf by the transferee company been approved by the holders of not less than three-fourths in value of the shares affected, the transferee company may, at any time within two months after the expiration of the said four months, give notice in the prescribed manner to any dissenting shareholder that it desires to acquire his shares, and where such a notice is given the transferee company shall, unless on an application made by the dissenting shareholder within one month from the date on which the notice was given the Court thinks fit to order otherwise, be entitled and bound to acquire those shares on the terms on which under the scheme or contract the shares of the approving shareholders are to be transferred to the transferee company:

Provided that, where any such scheme or contract has been so approved at any time before the commencement of this Regulation, the Court may by order, on an application made to it by the transferee company within two months after the commencement of that Regulation, authorise notice to be given under this section at any time within fourteen days after the making of the order, and this section shall apply accordingly, except that the terms on which the shares of the dissenting shareholder are to be acquired shall be such terms as the Court may by the order direct instead of the terms provided by the scheme or contract.

(2) Where a notice has been given by the transferee company under this section and the Court has not, on an application made by the dissenting shareholder, ordered to the contrary, the transferee company shall, on the expiration of one month from the date on which the notice has been given, or, if an application to the Court by the

dissenting shareholder is then pending, after that application has been disposed of, transmit a copy of the notice to the transferor company and pay or transfer to the transferor company the amount or other consideration representing the price payable by the transferee company for the shares which by virtue of this section that company is entitled to acquire, and the transferor company shall thereupon register the transferee company as the holder of those shares.

(3) Any sums received by the transferor company under this section shall be paid into a separate bank account, and any such sums and any other consideration so received shall be held by that company on trust for the several persons entitled to the shares in respect of which the said sums or other consideration were respectively received.

(4) In this section the expression 'dissenting shareholder' includes a shareholder who has not assented to the scheme or contract and any shareholder who has failed or refused to transfer his shares to the transferee company in accordance with the scheme or contract.

Conversion of private Company into public company.

154. (1) If a company, being a private company, alters its articles in such manner that they no longer include the provisions which, under the provisions of clause (13) of sub-section (1) of section 2, are required to be included in the articles of a company in order to constitute it a private company, the company shall, as on the date of the alteration, cease to be a private company and shall, within a period of fourteen days after the said date, file with the Registrar a prospectus or a statement in lieu of prospectus in the form and containing the particulars set out in the form marked II in the Second Schedule.

(2) If default is made in complying with sub-section (1) of this section, the company and every officer of the company who is knowingly and wilfully in default shall be liable to a fine not exceeding five hundred rupees.

(3) Where the articles of a company include the provisions aforesaid but default is made in complying with any of those provisions, the company shall cease to be entitled to the privileges and exemptions conferred on private companies under the provisions contained in this Regulation, and thereupon the provisions of this Regulation shall apply to the company as if it were not a private company:

Provided that the Court, on being satisfied that the failure to comply with the conditions was accidental or due to inadvertence or to some other sufficient cause, or that on other grounds it is just and equitable to grant relief, may, on the application of the company or any other person interested and on such terms and conditions as seem to the Court just and expedient, order that the company be relieved from such consequences as aforesaid."

PART V.

Winding up.

PRELIMINARY.

Mode of winding up.

155. (1) The winding up of a company may be either—

(i) by the Court; or

(ii) voluntary; or

(iii) subject to the supervision of the Court.

(2) The provisions of this Regulation with respect to winding up apply, unless the contrary appears, to the winding up of a company in any of these modes.

CONTRIBUTORIES.

Liability as contributories of present and past members.

156. (1) In the event of a company being wound up, every present and past member shall, subject to the provisions of this section, be liable to contribute to the assets of the company to an amount sufficient for payment of its debts and liabilities and the costs, charges and expenses of the winding up, and for the adjustment of the rights of the contributories among themselves, with the qualifications following (that is to say):—

(i) a past member shall not be liable to contribute if he has ceased to be a member for one year or upwards before the commencement of the winding up;

(ii) a past member shall not be liable to contribute in respect of any debt, or liability of the company contracted after he ceased to be a member;

(iii) a past member shall not be liable to contribute unless it appears to the Court that the existing members are unable to satisfy the contributions required to be made by them in pursuance of this Regulation;

(iv) in the case of a company limited by shares, no contribution shall be required from any member exceeding the amount (if any) unpaid on the shares in respect to which he is liable as a present or past member;

(v) in the case of a company limited by guarantee, no contribution shall be required from any member exceeding the amount undertaken to be contributed by him to the assets of the company in the event of its being wound up;

(vi) nothing in this Regulation shall invalidate any provision contained in any policy of insurance or other contract whereby the liability of individual members on the policy or contract is restricted, or whereby the funds of the company are alone made liable in respect of the policy or contract;

(vii) a sum due to any member of a company in his character of a member, by way of dividends, profits or otherwise, shall not be deemed to be a debt of the company payable to that member in a case of competition between himself and any other creditor not a member of the company; but any such sum may be taken into account for the purpose of the final adjustments of the rights of the contributories among themselves.

(2) In the winding up of a company limited by guarantee which has a share capital, every member of the company shall be liable, in addition to the amount undertaken to be contributed by him to the assets of the company in the event of its being wound up, to contribute to the extent of any sums unpaid on any shares held by him.

157. In the winding up of a limited company, any director whether past or present, whose liability is, in pursuance of this Regulation, unlimited, shall, in addition to his liability (if any) to contribute as an ordinary member, be liable to make a further contribution as if he were

Liability of directors whose liability is unlimited.

at the commencement of the winding up a member of an unlimited company:

Provided that—

(i) a past director shall not be liable to make such further contribution if he has ceased to hold office for a year or upwards before the commencement of the winding up;

(ii) a past director shall not be liable to make such further contribution in respect of any debt or liability of the company contracted after he ceased to hold office;

(iii) subject to the articles a director shall not be liable to make such further contribution unless the Court deems it necessary to require that contribution in order to satisfy the debts and liabilities of the company, and the costs, charges and expenses of the winding up.

Meaning of "contributory."

158. The term "contributory" means every person liable to contribute to the assets of a company in the event of its being wound up, and, in all proceedings for determining and in all proceedings prior to the final determination of the persons who are to be deemed contributories, includes any person alleged to be a contributory.

Nature of liability of contributory.

159 (1) The liability of a contributory shall create a debt payable at the time specified in the calls made on him by the liquidator.

(2) No claim founded on the liability of a contributory shall be cognizable by any Court of Small Causes.

Contributories in case of death of member.

160. (1) If a contributory dies either before or after he has been placed on the list of contributories, his legal representatives and his heirs shall be liable in a due course of administration to contribute to the assets of the company in discharge of his liability and shall be contributories accordingly.

(2) If the legal representatives or heirs make default in paying any money ordered to be paid by them, proceedings may be taken for administering the property of the deceased contributory, whether movable or immovable, or both, and of compelling payment thereout of the money due.

(3) For the purposes of this section the surviving co-parceners of a contributory who is a member of a Hindu joint-family governed by the Mitakshara School of Hindu Law shall be deemed to be his legal representatives and heirs.

161. If a contributory is adjudged insolvent either before or after he has been placed on the list of contributories, then— Contributories in case of insolvency of member.

(1) his assignees shall represent him for all the purposes of the winding up, and shall be contributories accordingly, and may be called on to admit to proof against the estate of the insolvent, or otherwise to allow to be paid out of his assets in due course of law, any money due from the insolvent in respect of his liability to contribute to the assets of the company; and

(2) there may be proved against the estate of the insolvent the estimated value of his liability to future calls as well as calls already made.

WINDING UP BY COURT.

162. A company may be wound up by the Court— Circumstances in which company may be wound up by Court.

(i) if the company has by special resolution resolved that the company be wound up by the Court;

(ii) if default is made in filing the statutory report or in holding the statutory meeting;

(iii) if the company does not commence its business within a year from its incorporation, or suspends its business for a whole year;

(iv) if the number of members is reduced, in the case of a private company, below two or, in the case of any other company, below seven;

(v) if the company is unable to pay its debts;

(vi) if the company fails to alter its name, when required to do so under proviso to sub-section 3 of section 11;

(vii) if the Court is of opinion that it is just and equitable that the company should be wound up.

163. (1) A company shall be deemed to be unable to pay its debts— Company when deemed unable to pay its debts.

(i) if a creditor, by assignment or otherwise, to whom the company is indebted in a sum exceeding five hundred rupees then due, has served on the company, by causing the same to be delivered by registered post or otherwise at its registered office, a demand under his hand requiring the company to pay the sum so due and the company has for three weeks thereafter neglected to pay the sum, or to

secure or compound for it to the reasonable satisfaction of the creditor; or

(ii) if execution or other process issued on a decree or order of any Court in favour of a creditor of the company is returned unsatisfied in whole or in part; or

(iii) if it is proved to the satisfaction of the Court that the company is unable to pay its debts, and, in determining whether a company is unable to pay its debts, the Court shall take into account the contingent and prospective liabilities of the company.

(2) The demand referred to in clause (i) of sub-section (1) shall be deemed to have been duly given under the hand of the creditor if it is signed by an agent or legal adviser duly authorised on his behalf, or in the case of a firm if it is signed by such agent or by a legal adviser or any one member of the firm on behalf of the firm.

Winding up may be referred to District Court.

164. Where the High Court makes an order for winding up a company under this Regulation, it may, if it thinks fit, direct all subsequent proceedings to be had in a District Court; and thereupon such District Court shall, for the purpose of winding up the company, be deemed to be "the Court" within the meaning of this Regulation and shall have, for the purposes of such winding up, all the jurisdiction and powers of the High Court.

Transfer of winding up from one District Court to another.

165. If during the progress of a winding up in a District Court it is made to appear to the High Court that the same could be more conveniently prosecuted in any other District Court having jurisdiction to wind up companies, the High Court may transfer the same to such other Court, and thereupon the winding up shall proceed in such other District Court.

Provisions as to applications for winding up.

166. An application to the Court for the winding up of a company shall be by petition presented, subject to the provisions of this section, either by the company, or by any creditor or creditors (including any contingent or prospective creditor or creditors), contributory or contributories, or by all or any of those parties, together or separately, or by the registrar:

Provided that—

(*a*) a contributory shall not be entitled to present a petition for winding up a company unless—

(i) either the number of members is reduced, in the case of a private company, below two,

or, in the case of any other company, below seven; or

(ii) the shares in respect of which he is a contributory or some of them either were originally allotted to him or have been held by him, and registered in his name, for at least six months during the eighteen months before the commencement of the winding up, or have devolved on him through the death of a former holder;

(*aa*) the registrar shall not be entitled to present a petition for winding up a company—

(i) except on the ground that from the financial condition of the company as disclosed in its balancesheet or from the report of an inspector appointed under section 138 it appears that the company is unable to pay its debts, and

(ii) unless the previous sanction of the Government has been obtained to the presentation of the petition:

Provided that no such sanction shall be given unless the company has first been afforded an opportunity of being heard.

(*b*) a petition of winding up a company on the ground of default on filing the statutory report or in holding the statutory meeting shall not be presented by any person except a shareholder, nor before the expiration of fourteen days after the last day on which the meeting ought to have been held;

(*c*) the Court shall not give a hearing to a petition for winding up a company by a contingent or prospective creditor until such security for costs has been given as the Court thinks reasonable and until a *prima facie* case for winding up has been established to the satisfaction of the Court.

Effect of winding up order.

167. An order for winding up a company shall operate in favour of all the creditors and of all the contributories of the company as if made on the joint petition of a creditor and of a contributory.

Commencement of winding up by Court.

168. A winding up of a company by the Court shall be deemed to commence at the time of the presentation of the petition for the winding up.

Court may grant injunction.

169. The Court may, at any time after the presentation of the petition for winding up a company under this Regulation, and before making an order for winding up the company, upon the application of the company or of any creditor or contributory of the company, restrain further proceedings in any suit or proceeding against the company, upon such terms as the Court thinks fit.

Powers of Court on hearing petition.

170. (1) On hearing the petition the Court may dismiss it with or without costs, or adjourn the hearing conditionally or unconditionally, or make any interim order or any other order that it deems just, but the Court shall not refuse to make a winding up order on the ground only that the assets of the company have been mortgaged to an amount equal to or in excess of those assets, or that the company has no assets.

(2) Where the petition is presented on the ground of default in filing the statutory report or in holding the statutory meeting, the Court may order the costs to be paid by any persons who, in the opinion of the Court, are responsible for the default.

(3) Where the Court makes an order for the winding up of a company it shall, except where a liquidator is appointed simultaneously, forthwith cause intimation thereof to be sent to the official receiver.

Suits stayed on winding up order.

171. When a winding up order has been made or a provisional liquidator has been appointed, no suit or other legal proceeding shall be proceeded with or commenced against the company except by leave of the Court, and subject to such terms as the Court may impose.

171-A. (1) For the purposes of this Regulation so far as it relates to the winding up of companies by the Court, the term 'official receiver' means the official receiver attached to the Court, or, if there is no such official receiver, then such person as the Government may, by notification in the official Gazette, appoint for the purpose.

Vacancy in the office of liquidator.

(2) On the making of a winding up order, the official receiver shall become the official liquidator of the company and shall continue to act as such until his further continuance is terminated by an order of the Court.

(3) The official receiver shall as such official liquidator forthwith take into his custody and control all the books, documents and the assets of the company.

(4) The official receiver shall be entitled to such remuneration as the Court shall fix.

172. (1) On the making of a winding up order it shall be the duty of the petitioner in the winding up proceedings and of the company to file with the registrar a copy of the order within a month from the date of the making of the order.

Copy of winding up order to be filed with registrar.

(2) On the filing of a copy of a winding up order, the registrar shall make a minute thereof in his books relating to the company, and shall notify in the official Gazette that such an order has been made.

(3) Such order shall be deemed to be notice of discharge to the servants of the company, except when the business of the company is continued.

173. The Court may at any time after an order for winding up, on the application of any creditor or contributory, and on proof to the satisfaction of the Court that all proceedings in relation to the winding up ought to be stayed, make an order staying the proceedings, either altogether or for a limited time, on such terms and conditions as the Court thinks fit.

Power of Court to stay winding up.

174. The Court may, as to all matters relating to a winding up, have regard to the wishes of the creditors or contributories as proved to it by any sufficient evidence.

Court may have regard to wishes of creditors or contributories.

Official Liquidators.

175. (1) For the purpose of conducting the proceedings in winding up a company and performing such duties in reference thereto as the Court may impose, the Court may appoint a person or persons other than the official receiver, to be called an official liquidator or official liquidators.

Appointment of official liquidator.

(2) The Court may make such an appointment provisionally at any time after the presentation of a petition and before the making of an order for winding up, but shall before making any such appointment give notice to the company, unless for reasons to be recorded it thinks fit to dispense with notice.

(3) If more persons than one are appointed to the office of official liquidator, the Court shall declare whether any act by this Regulation required or authorized to be done by the official liquidator is to be done by all or any one or more of such persons.

(4) The Court may determine whether any, and what, security is to be given by any official liquidator on his appointment.

(5) The acts of an official liquidator shall be valid notwithstanding any defect that may afterwards be discovered in his appointment: Provided that nothing in this sub-section shall be deemed to give validity to acts done by an official liquidator after his appointment has been shown to be invalid.

(6) A receiver shall not be appointed of assets in the hands of an official liquidator.

Resignations, removals, filling up vacancies and compensation.

176. (1) Any official liquidator may resign or be removed by the Court on due cause shown.

(2) Any vacancy in the office of an official liquidator appointed by the Court shall be filled up by the Court and until the vacancy is so filled up the official receiver shall be and act as the official liquidator.

(3) There shall be paid to the official liquidator such salary or remuneration, by way of percentage or otherwise, as the Court may direct; and, if more liquidators than one are appointed, such remunerations shall be distributed amongst them in such proportions as the Court directs.

Official liquidator.

177. The official liquidator shall be described by the style of the official liquidator of the particular company in respect of which he is appointed, and not by his individual name.

Statement of affairs to be made to the liquidator.

177-A. (1) Where the Court has made a winding up order or appointed an official liquidator provisionally, there shall, unless the Court thinks fit to order otherwise and so orders, be made out and submitted to the official liquidator a statement as to the affairs of the company verified by an affidavit and containing the following particulars, namely:—

(*a*) the assets of the company, stating separately the cash balance in hand and at the bank, if any;

(*b*) the debts and liabilities;

(*c*) the names, residences and occupations of the creditors stating separately the amount of secured debts and unsecured debts, and in the case of secured debts particulars of the securities, their value and the dates when they were given;

(*d*) the debts due to the company and the names, residences and occupations of the persons from whom they are due and the amount likely to be realised therefrom.

(2) The statement shall be submitted and verified by one or more of the persons who are at the relevant date the directors and by the person who is at that date the secretary, manager or other chief officer of the company, or by such of the persons hereinafter in this sub-section mentioned as the official liquidator, subject to the direction of the Court, may require to submit and verify the statement, that is to say, persons—

(*a*) who are or have been directors or officers of the company;

(*b*) who have taken part in the formation of the company at any time within one year before the relevant date;

(*c*) who are in the employment of the company, or have been in the employment of the company within the said year, and are in the opinion of the official liquidator capable of giving the information required;

(*d*) who are or have been within the said year officers of or in the employment of a company, which is, or within the said year was, an officer of the company to which the statement relates.

(3) The statement shall be submitted within twenty-one days from the relevant date, or within such extended time as the official liquidator or the Court may for special reasons appoint.

(4) Any person making or concurring in making the statement and affidavit required by this section shall be allowed, and shall be paid by the official liquidator or provisional liquidator, as the case may be, out of the assets of the company, such costs and expenses incurred in and about the preparation and making of the statement and affidavit as the official liquidator may consider reasonable, subject to an appeal to the Court.

(5) If any person, without reasonable excuse, knowingly and wilfully makes default in complying with the requirements of this section, he shall be liable to a fine not exceeding one hundred rupees for every day during which the default continues.

(6) Any person stating himself in writing to be a creditor or contributory of the company shall be entitled by himself or by his agent at all reasonable times, on payment of the prescribed fee, to inspect the statement

submitted in pursuance of this section, and to a copy thereof or extract therefrom.

(7) Any person untruthfully so stating himself to be a creditor or contributory shall be guilty of an offence under section 182 of the Indian Penal Code and shall, on the application of the liquidator or of the official receiver, be punishable accordingly.

(8) In this section the expression "the relevant date" means, in a case where a provisional liquidator is appointed, the date of his appointment, and, in a case where no such appointment is made, the date of the winding up order.

Statement by liquidator.

177-B. (1) In a case where a winding up order is made, the official liquidator shall, as soon as practicable after receipt of the statement to be submitted under section 177-A, and not later than four, or with the leave of the Court, six months from the date of the order, or in a case where the Court orders that no statement shall be submitted, as soon as practicable after the date of the order, submit a preliminary report to the Court—

(*a*) as to the amount of capital issued, subscribed, and paid up, and the estimated amount of assets and liabilities, giving separately under the heading of assets particulars of—

(i) cash and negotiable securities;
(ii) debts due from contributories;
(iii) debts due to and securities, if any, available to the company;
(iv) movable and immovable properties belonging to the company;
(v) un-paid calls; and

(*b*) if the company has failed, as to the causes of the failure; and

(*c*) whether in his opinion further inquiry is desirable as to any matter relating to the promotion, formation, or failure of the company, or the conduct of the business thereof.

(2) The official liquidator may also, if he thinks fit, make a further report, or further reports, stating the manner in which the company was formed and whether in his opinion any fraud has been committed by any person in its promotion or formation, or by any director or other officer of the company in relation to the company since the formation thereof, and any other matters which

in his opinion it is desirable to bring to the notice of the Court.

178. (1) The official liquidator whether appointed provisionally or not shall take into his custody, or under his control, all the property, effects and actionable claims to which the company is or appears to be entitled.

Custody of company's property

(2) All the property and effects of the company shall be deemed to be in the custody of the Court as from the date of the order for the winding up of the company.

178-A. (1) The official liquidator shall within a month from the date of the order for the winding up of a company convene a meeting of the creditors of the company (as ascertained from the books and documents of the company) for the purpose of determining whether or not a committee of inspection shall be appointed to act with the liquidator, and who are to be members of the committee, if appointed.

Committee of Inspection in compulsory winding up.

(2) The official liquidator shall within a week from the date of the creditors' meeting convene a meeting of the contributories to consider the decision of the creditors and to accept the same with or without modifications.

(3) If the contributories do not accept the decision of the creditors in its entirety, it shall be the duty of the official liquidator to apply to the Court for directions as to whether there shall be a committee of inspection and, if so, what shall be the composition of the committee, and who shall be members thereof.

(4) A committee of inspection appointed under this section shall consist of not more than twelve members being creditors and contributories of the company or persons holding general or special powers of attorney from creditors or contributories in such proportions as may be agreed on by the meetings of creditors and contributories, or as, in case of difference, may be determined by the Court.

(5) The committee of inspection shall have the right to inspect the accounts of the official liquidator at all reasonable times.

(6) The committee shall meet at such times as they may from time to time appoint, and, failing such appointment, at least once a month, and the liquidator or any member of the committee may also call a meeting of the committee as and when he thinks necessary.

(7) The committee may act by a majority of their members present at a meeting, but shall not act unless a majority of the committee are present.

(8) A member of the committee may resign by notice in writing signed by him and delivered to the liquidator.

(9) If a member of the committee becomes bankrupt, or compounds or arranges with his creditors, or is absent from five consecutive meetings of the committee without the leave of those members who together with himself represent the creditors or contributories, as the case may be, his office shall thereupon become vacant.

(10) A member of the committee may be removed by an ordinary resolution at a meeting of creditors if he represents creditors, or of contributories if he represents contributories, of which seven days' notice has been given, stating the object of the meeting.

(11) On a vacancy occurring in the committee the liquidator shall forthwith summon a meeting of creditors or of contributories, as the case may require, to fill the vacancy, and the meeting may, by resolution, re-appoint the same or appoint another creditor or contributory to fill the vacancy.

(12) The continuing members of the committee, if not less than two, may act notwithstanding any vacancy in the committee.

Powers of official liquidator.

179. The official liquidator shall have power, with the sanction of the Court, to do the following things:—

(*a*) to institute or defend any suit or prosecution, or other legal proceeding, civil or criminal, in the name and on behalf of the company;

(*b*) to carry on the business of the company so far as may be necessary for the beneficial winding up of the same;

(*c*) to sell the immovable and movable property of the company by public auction or private contract, with power to transfer the whole thereof to any person or company, or to sell the same in parcels;

(*d*) to do all acts and to execute, in the name and on behalf of the company, all deeds, receipts, and other documents, and for that purpose to use, when necessary, the company's seal;

(*e*) to prove, rank and claim in the insolvency of any contributory, for any balance against his estate, and to receive dividends in the insolvency, in respect of that

balance, as a separate debt due from the insolvent, and rateably with the other separate creditors;

(*f*) to draw, accept, make and endorse any bill of exchange, hundi or promissory note in the name and on behalf of the company, with the same effect with respect to the liability of the company as if the bill, hundi or note had been drawn, accepted, made or endorsed by or on behalf of the company in the course of its business;

(*g*) to raise on the security of the assets of the company any money requisite;

(*h*) to take out, in his official name, letters of administration to any deceased contributory, and to do in his official name any other act necessary for obtaining payment of any money due from a contributory or his estate which cannot be conveniently done in the name of the company; and in all such cases the money due shall, for the purpose of enabling the liquidator to take out the letters of administration or recover the money, be deemed to be due to the liquidator himself;

(*i*) to do all such other things as may be necessary for winding up the affairs of the company and distributing its assets.

Discretion of official liquidators.

180. The Court may provide by any order that the official liquidator may exercise any of the above powers without the sanction or intervention of the Court, and, where an official liquidator is provisionally appointed, may limit and restrict his powers by the order appointing him.

Provision for legal assistance to official liquidator.

181. The official liquidator may, with the sanction of the Court, appoint an advocate, or pleader entitled to appear before the Court to assist him in the performance of his duties.

Official books to be kept by liquidator in winding up.

182. (1) The official liquidator of a company which is being wound up by the Court shall keep, in manner prescribed, proper books in which he shall cause to be made entries or minutes of proceedings at meetings, and of such other matters as may be prescribed, and any creditor or contributory may, subject to the control of the Court, personally or by his agent inspect any such books.

(2) Every official liquidator shall, at such times as may be prescribed but not less than twice in each year during his tenure of office, present to the Court an account of his receipts and payments as such liquidator.

(3) The account shall be in the prescribed form, shall be made in duplicate, and shall be verified by a declaration in the prescribed form.

(4) The Court shall cause the account to be audited in such manner as it thinks fit and for the purpose of the audit the liquidator shall furnish the Court with such vouchers and information as the Court may require, and the Court may at any time require the production of and inspect any books or accounts kept by the liquidator.

(5) When the account has been audited, one copy thereof shall be filed and kept by the Court, and the other copy shall be delivered to the registrar for filing, and each copy shall be open to the inspection of any creditor, or of any person interested.

Exercise and control of liquidator's powers.

183. (1) Subject to the provisions of this Regulation the official liquidator of a company which is being wound up by the Court shall, in the administration of the assets of the company and in the distribution thereof among its creditors, have regard to any directions that may be given by resolution of the creditors or contributories at any general meeting or by the committee of inspection, and any directions given by the creditors or contributories at any general meeting shall in case of conflict be deemed to override any directions given by the committee of inspection.

(2) The official liquidator may summon general meetings of the creditors or contributories for the purpose of ascertaining their wishes, and it shall be his duty to summon meetings at such times as the creditors or contributories, by resolution, may direct, or whenever requested in writing to do so by one-tenth in value of the creditors or contributories, as the case may be.

(3) The official liquidator may apply to the Court in manner prescribed for directions in relation to any particular matter arising in the winding up.

(4) Subject to the provisions of this Regulation, the official liquidator shall use his own discretion in the administration of the assets of the company and in the distribution thereof among the creditors.

(5) If any person is aggrieved by any act or decision of the official liquidator, that person may apply to the Court, and the Court may confirm, reverse or modify the act or dicision complained of, and make such order as it thinks just in the circumstances.

ORDINARY POWERS OF COURT.

Settlement of list of contributories and application of assets.

184. (1) As soon as may be after making a winding up order, the Court shall settle a list of contributories,

with power to rectify the register of members in all cases where rectification is required in pursuance of this Regulation, and shall cause the assets of the company to be collected and applied in discharge of its liabilities.

(2) In settling the list of contributories, the Court shall distinguish between persons who are contributories in their own right and persons who are contributories as being representatives of or liable for the debts of others.

Power to require delivery of property.

185. The Court may, at any time after making a winding up order, require any contributory for the time being settled on the list of contributories and any trustee, receiver, banker, agent, or officer of the company to pay, deliver, surrender or transfer forthwith, or within such time as the Court directs, to the official liquidator any money, property or documents in his hands to which the company is *prima facie* entitled.

Power to order payment of debts by contributory.

186. (1) The Court may, at any time after making a winding up order, make an order on any contributory for the time being settled on the list of contributories to pay, in manner directed by the order, any money due from him or from the estate of the person whom he represents to the company exclusive of any money payable by him or the estate by virtue of any call in pursuance of this Regulation.

(2) The Court in making such an order may, in the case of an unlimited company, allow to the contributory by way of set-off any money due to him or to the estate which he represents from the company on any independent dealing or contract with the company, but not any money due to him as a member of the company in respect of any dividend or profit; and may, in the case of a limited company, make to any director whose liability is unlimited or to his estate the like allowance:

Provided that, in the case of any company, whether limited or unlimited, when all the creditors are paid in full, any money due on any account whatever to a contributory from the company may be allowed to him by way of set-off against any subsequent call.

Power of Court to make calls.

187. (1) The Court may, at any time after making a winding up order, and either before or after it has ascertained the sufficiency of the assets of the company, make calls on and order payment thereof by all or any of the contributories for the time being settled on the list of the contributories to the extent of their liability, for payment of any money which the Court considers necessary

to satisfy the debts and liabilities of the company, and the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves.

(2) In making the call the Court may take into consideration the probability that some of the contributories may partly or wholly fail to pay the call.

Power to order payment into bank.

188. The Court may order any contributory, purchaser or other person from whom money is due to the company to pay the same into the account of the official liquidator in any bank approved by Government instead of to the official liquidator, and any such order may be enforced in the same manner as if it had directed payment to the official liquidator.

Regulation of account with Court.

189. All moneys, bills, hundis, notes and other securities paid and delivered into the bank where the liquidator of the Company may have his account in the event of a company being wound up by the Court, shall be subject in all respects to the orders.

Order on contributory conclusive evidence.

190. (1) An order made by the Court on a contributory shall, subject to any right of appeal, be conclusive evidence that the money, if any, thereby appearing to be due or ordered to be paid is due.

(2) All other pertinent matters stated in the order shall be taken to be truely stated as against all persons, and in all proceedings whatsoever.

Power to exclude creditors not proving in time.

191. The Court may fix a time or times within which creditors are to prove their debts or claims, or to be excluded from the benefit of any distribution made before those debts are proved.

Adjustment of rights of contributories.

192. The Court shall adjust the rights of the contributories among themselves, and distribute any surplus among the persons entitled thereto.

Power to order costs.

193. The Court may, in the event of the assets being insufficient to satisfy the liabilities, make an order as to the payment out of the assets of the costs, charges and expenses incurred in the winding up in such order of priority as the Court thinks just.

Dissolution of company.

194. (1) When the affairs of a company have been completely wound up, the Court shall make an order that the company be dissolved from the date of the order, and the company shall be dissolved accordingly.

(2) The order shall be reported within fifteen days of the making thereof by the official liquidator to the Registrar, who shall make in his books a minute of the dissolution of the company.

(3) If the official liquidator makes default in complying with the requirements of this section, he shall be liable to a fine not exceeding fifty rupees for every day during which he is in default.

EXTRAORDINARY POWERS OF COURT.

Power to summon persons suspected of having property of company.

195. (1) The Court may, after it has made a winding up order, summon before it any officer of the company or person known or suspected to have in his possession any property of the company, or supposed to be indebted to the company, or any person whom the Court deems capable of giving information concerning the trade, dealings, affairs or property of the company.

(2) The Court may examine him on oath concerning the same, either by word of mouth or on written interrogatories, and may reduce his answers to writing and require him to sign them.

(3) The Court may require him to produce any documents in his custody or power relating to the company; but, where he claims any lien on documents produced by him, the production shall be without prejudice to that lien, and the Court shall have jurisdiction in the winding up to determine all questions relating to that lien.

(4) If any person so summoned, after being tendered a reasonable sum for his expenses, refuses to come before the Court at the time appointed, not having a lawful impediment (made known to the Court at the time of its sitting, and allowed by it), the Court may cause him to be apprehended and brought before the Court for examination.

Power to order public examination of promoters, directors, etc.

196. (1) When an order has been made for winding up a company by the Court, and the official liquidator has applied to the Court stating that in his opinion a fraud has been committed by any person in the promotion or formation of the company or by any director or other officer of the company in relation to the company since its formation, the Court may, after consideration of the application, direct that any person who has taken any part in the promotion or formation of the company, or has been a director, manager or other officer of the company, shall attend before the Court on a day appointed by

the Court for that purpose, and be publicly examined as to the promotion or formation or the conduct of the business of the company, or as to his conduct and dealings as director, manager or other officer thereof.

(2) The official liquidator shall take part in the examination, and for that purpose may, if specially authorised by the Court in that behalf, employ such legal assistance as may be sanctioned by the Court.

(3) Any creditor or contributory may also take part in the examination either personally or by any person entitled to appear before the Court.

(4) The Court may put such questions to the person examined as the Court thinks fit.

(5) The person examined shall be examined on oath, and shall answer all such questions as the Court may put or allow to be put to him.

(6) A person ordered to be examined under this section may, at his own cost employ any person entitled to appear before the Court, who shall be at liberty to put to him such questions as the Court may deem just for the purpose of enabling him to explain or qualify any answers given by him: Provided that if he is, in the opinion of the Court, exculpated from any charges made or suggested against him, the Court may allow him such costs as in its discretion it may think fit.

(7) Notes of the examination shall be taken down in writing, and shall be read over to or by, and signed by, the person examined, and may thereafter be used in evidence against him in civil proceedings, and shall be open to the inspection of any creditor or contributory at all reasonable times.

(8) The Court may, if it thinks fit, adjourn the examination from time to time.

(9) An examination under this section may, if the Court so directs, and subject to any rules in this behalf, be held before any District Judge or before any officer of the High Court, being an official referee, registrar or deputy registrar, and the powers of the Court under this section as to the conduct of the examination, but not as to costs, may be exercised by the person before whom the examination is held.

Power to arrest absconding contributory.

197. The Court, at any time either before or after making a winding up order on proof of probable cause for believing that a contributory is about to quit Mysore or otherwise to abscond, or to remove or conceal any of his

property, for the purpose of evading payment of calls or of avoiding examination respecting the affairs of the company, may cause the contributory to be arrested and his books and papers and movable property to be seized, and him and them to be safely kept until such time as the Court may order.

198. Any powers by this Regulation conferred on the Court shall be in addition to, and not in restriction of, any existing powers of instituting proceedings against any contributory or debtor of the company, or the estate of any contributory or debtor, for the recovery of any call or other sums. Saving of other proceedings.

ENFORCEMENT OF AND APPEAL FROM ORDERS.

199. All orders made by a Court under this Regulation may be enforced in the same manner in which decrees of such Court made in any suit pending therein may be enforced. Power to enforce orders.

200. Any order made by a Court for or in the course of the winding up of a company shall be enforced in any place in Mysore other than that in which such Court is situate, by the Court that would have had jurisdiction in respect of such company if the registered office of the company had been situate at such other place, and in the same manner in all respects as if such order had been made by the Court that is hereby required to enforce the same. Order made in any Court to be enforced by other Courts.

201. Where any order made by one Court is to be enforced by another Court, a certified copy of the order so made shall be produced to the proper officer of the Court required to enforce the same, and the production of such certified copy shall be sufficient evidence of such order having been made; and thereupon the last mentioned Court shall take the requisite steps in the matter for enforcing the order, in the same manner as if it were the order of the Court enforcing the same. Mode of dealing with orders to be enforced by other Courts.

202. Re-hearings of, and appeals from, any order or decision made or given in the matter of the winding up of a company by the Court may be had in the same manner and subject to the same conditions in and subject to which appeals may be had from any order or decision of the same Court in cases within its ordinary jurisdiction. Appeals from orders.

VOLUNTARY WINDING UP.

Circumstances in which company may be wound up voluntarily.

203. A company may be wound up voluntarily—

(1) when the period (if any) fixed for the duration of the company by the articles expires or, the event (if any) occurs, on the occurrence of which the articles provide that the company is to be dissolved and the company in general meeting has passed a resolution requiring the company to be wound up voluntarily :

(2) if the company resolves by special resolution that the company be wound up voluntarily ;

(3) if the company resolves by extraordinary resolution to the effect that it cannot by reason of its liabilities continue its business, and that it is advisable to wind up and the expression 'resolution for voluntarily winding up' when used hereafter in this Part means a resolution passed under clause (1), clause (2) or clause (3) of this section.

Commencement of voluntary winding up.

204. A voluntary winding up shall be deemed to commence at the time of the passing of the resolution for voluntarily winding up.

Effect of voluntary winding up on status of company.

205. When a company is wound up voluntarily, the company shall, from the commencement of the winding up, cease to carry on its business, except so far as may be required for the beneficial winding up thereof :

Provided that the corporate state and corporate powers of the company shall, notwithstanding anything to the contrary in its articles, continue until it is dissolved.

Notice of resolution to wind up voluntarily.

206. (1) Notice of any special resolution or extraordinary resolution for winding up a company voluntarily shall be given by the company within ten days of the passing of the same by advertisement both in English and in Kannada in the official Gazette, and also in some newspaper (if any) circulating in the district where the registered office of the company is situate.

(2) If a company makes default in complying with the requirements of this section, it shall be liable to a fine not exceeding fifty rupees for every day during which the default continues ; and every officer of the company who

knowingly and wilfully authorises or permits the default shall be liable to a like penalty.

207. (1) Where it is proposed to wind up a company voluntarily, the directors of the company or, in the case of a company having more than two directors, the majority of the directors may, at a meeting of the directors held before the date on which the notices of the meeting at which the resolution for the winding up of the company is to be proposed are sent out, to make a declaration verified by an affidavit to the effect that they have made a full inquiry into the affairs of the company, and that, having so done, they have formed the opinion that the company will be able to pay its debts in full within a period, not exceeding three years, from the commencement of the winding up. Declaration of solvency.

(2) Such declaration shall be supported by a report of the company's auditors on the company's affairs, and shall have no effect for the purposes of this Regulation unless it is delivered to the registrar for registration before the date mentioned in sub-section (1) of this section.

(3) A winding up in the case of which a declaration has been made and delivered in accordance with this section is in this Regulation referred to as a 'members' voluntary winding up,' and a winding up in the case of which a declaration has not been made and delivered as aforesaid is in this Regulation referred to as a 'creditors' voluntary winding up.'

Members' Voluntary Winding up.

208. The provisions contained in sections 208-A to 208-E, both inclusive, shall apply in relation to a member's voluntary winding up. Provisions applicable to a member's voluntary winding up.

208-A. (1) The company in general meeting shall appoint one or more liquidators for the purpose of winding up the affairs and distributing the assets of the company, and may fix the remuneration to be paid to him or them. Power of company to appoint and fix remuneration of liquidators.

(2) On the appointment of a liquidator all the powers of the directors shall cease, except so far as the company in general meeting, or the liquidator, sanctions the continuance thereof.

208-B. (1) If a vacancy occurs by death, resignation or otherwise in the office of the liquidator appointed by Power to fill vacancy in the office of liquidator.

the company, the company in general meeting may, subject to any arrangement with its creditors, fill the vacancy.

(2) For that purpose a general meeting may be convened by any contributory or, if there were more liquidators than one, by the continuing liquidators.

(3) The meeting shall be held in manner provided by this Regulation or by the articles, or in such manner may, as on application by any contributory or by the continuing liquidators, be determined by the Court.

Power of liquidator to accept shares, etc., as consideration for sale of property of company.

208-C. (1) Where a company is proposed to be, or is in course of being, wound up altogether voluntarily, and the whole or part of its business or property is proposed to be transferred or sold to another company, whether a company within the meaning of this Regulation or not (in this section called 'the transferee company'), the liquidator of the first-mentioned company (in this section called 'the transferor company') may, with the sanction of a special resolution of that company conferring either a general authority on the liquidator or an authority in respect of any particular arrangement, receive, in compensation or part compensation for the transfer or sale, shares, policies, or other like interests in the transferee company, for distribution among the members of the transferor company, or may enter into any other arrangement whereby the members of the transferor company may, in lieu of receiving cash, shares, policies, or other like interests or in addition thereto, participate in the profits of or receive any other benefit from the transferee company.

(2) Any sale or arrangement in pursuance of this section shall be binding on the members of the transferor company.

(3) If any member of the transferor company who did not vote in favour of the special resolution expresses his dissent therefrom in writing addressed to the liquidator and left at the registered office of the company within seven days after the passing of the special resolution, he may require the liquidator either to abstain from carrying the resolution into effect or to purchase his interest at a price to be determined by agreement or by arbitration in manner hereafter provided.

(4) If the liquidator elects to purchase the member's interest, the purchase money must be paid before the company is dissolved, and be raised by the liquidator in such manner as may be determined by special resolution.

(5) A special resolution shall not be invalid for the purposes of this section by reason that it is passed before or concurrently with a resolution for voluntary winding up or for appointing liquidators, but if an order is made within a year for winding up the company by or subject to the supervision of the Court, the special resolution shall not be valid unless sanctioned by the Court.

(6) The provisions of the Mysore Arbitration Regulation, 1917, other than those restricting the application of the Regulation in respect of the subject-matter of the arbitration, shall apply to all arbitrations in pursuance of this section.

Duty of liquidator to call general meeting at end of each year.

208-D. (1) In the event of the winding up continuing for more than one year, the liquidator shall summon a general meeting of the company at the end of the first year from the commencement of the winding up and of each succeeding year, or as soon thereafter as may be convenient within ninety days of the close of the year, and shall lay before the meeting an account of his acts and dealings and of the conduct of the winding up during the preceding year and a statement in the prescribed form containing the prescribed particulars with respect to the position of the liquidation.

(2) If the liquidator fails to comply with this section, he shall be liable to a fine not exceeding one hundred rupees.

Final meeting and dissolution.

208-E. (1) As soon as the affairs of the company are fully wound up, the liquidator shall make up an account of the winding up, showing how the winding up has been conducted and the property of the company has been disposed of, and thereupon shall call a general meeting of the company for the purpose of laying before it the account, and giving any explanation thereof.

(2) The meeting shall be called by advertisement specifying the time, place and object thereof, and published one month at least before the meeting in the manner specified in sub-section (1) of section 206 for publication of a notice under that sub-section.

(3) Within one week after the meeting, the liquidator shall send to the registrar a copy of the account, and shall make a return to him of the holding of the meeting and of its date, and if the copy is not sent or the return is not made in accordance with this sub-section, the liquidator shall be liable to a fine not exceeding fifty rupees for every day during which the default continues:

Provided that, if a quorum is not present at the meeting, the liquidator shall, in lieu of the said return, make a return that the meeting was duly summoned and that no quorum was present thereat, and upon such a return being made the provisions of this sub-section as to the making of the return shall be deemed to have been complied with.

(4) The registrar on receiving the account and either of the returns mentioned in sub-section (3) shall forthwith register them and on the expiration of three months from the registration of the return the company shall be deemed to be dissolved :

Provided that the Court may, on the application of the liquidator or of any other person who appears to the Court to be interested, make an order deferring the date at which the dissolution of the company is to take effect for such time as the Court thinks fit.

(5) It shall be the duty of the person on whose application an order of the Court under this section is made, within twenty-one days after the making of the order, to deliver to the registrar a certified copy of the order for registration, and if that person fails so to do he shall be liable to a fine not exceeding fity rupees for every day during which the default continues.

CREDITORS' VOLUNTARY WINDING UP.

Provisions applicable to a creditors' voluntary winding up.

209. The provisions contained in sections 209-A to 209-H, both inclusive, shall apply in relation to a creditors' voluntary winding up.

Meeting of creditors.

209-A. (1) The company shall cause a meeting of the creditors of the company to be summoned for the day, or the day next following the day, on which there is to be held the meeting at which the resolution for voluntary winding up is to be proposed, and shall cause the notices of the said meeting of creditors to be sent by post to the creditors simultaneously with the sending of the notices of the said meeting of the company.

(2) The company shall cause notice of the meeting of the creditors to be advertised in the manner specified in sub-section (1) of section 206 for the publication of a notice under that sub-section.

(3) The directors of the company shall—

(*a*) cause a full statement of the position of the company's affairs together with a list of the

creditors of the company and the estimated amount of their claims to be laid before the meeting of creditors to be held as aforesaid; and

(*b*) appoint one of their number to preside at the said meeting.

(4) It shall be the duty of the director appointed to preside at the meeting of creditors to attend the meeting and preside thereat.

(5) If the meeting of the company at which the resolution for voluntary winding up is to be proposed is adjourned and the resolution is passed at an adjourned meeting, any resolution passed at the meeting of the creditors, held in pursuance of sub-section (1) of this section, shall have effect as if it had been passed immediately after the passing of the resolution for winding up the company.

(6) If default is made—

(*a*) by the company in complying with sub-sections (1) and (2),

(*b*) by the directors of the company in complying with sub-section (3);

(*c*) by any director of the company in complying with sub-section (4),

the company, directors or director, as the case may be, shall be liable to a fine not exceeding one thousand rupees and, in the case of default by the company, every officer of the company who is in default shall be liable to the like penalty.

Appointment of liquidator.

209-B. The creditors and the company at their respective meetings mentioned in section 209-A may nominate a person to be liquidator for the purpose of winding up the affairs and distributing the assets of the company, and if the creditors and the company nominate different persons, the person nominated by the creditors shall be liquidator, and if no person is nominated by the creditors the person, if any, nominated by the company shall be liquidator:

Provided that in the case of different persons being nominated, any director, member or creditor of the company may, within seven days after the date on which the nomination was made by the creditors, apply to the Court for an order either directing that the person nominated as liquidator by the company shall be liquidator instead of

or jointly with the person nominated by the creditors, or appointing some other person to be liquidator instead of the person appointed by the creditors.

Appointmet of committee of inspection.

209-C. The creditors at the meeting to be held in pursuance of section 209-A or at any subsequent meeting may, if they think fit, appoint a committee of inspection consisting of not more than five persons, and if such a committee is appointed the company may, either at the meeting at which the resolution for voluntary winding up is passed or at any time subsequently in general meeting, appoint such number of persons as they think fit to act as members of the committee not exceeding five in number:

Provided that the creditors may, if they think fit, resolve that all or any of the persons so appointed by the company ought not to be members of the committee of inspection, and, if the creditors so resolve, the persons mentioned in the resolution shall not, unless the Court otherwise directs, be qualified to act as members of the committee, and on any application to the Court under this provision the Court may, if it thinks fit, appoint other persons to act as such members in place of the persons mentioned in the resolution.

Fixing of liquidators' remuneration and cesser of directors' powers.

209-D. (1) The committee of inspection, or if there is no such committee, the creditors, may fix the remuneration to be paid to the liquidator or liquidators, and where the remuneration is not so fixed, it shall be determined by the Court.

(2) On the appointment of a liquidator, all the powers of the directors shall cease, except so far as the committee of inspection, or if there is no such committee, the creditors, sanction the continuance thereof.

Power to fill vacancy in office of liquidator.

209-E. If a vacancy occurs, by death, resignation or otherwise, in the office of a liquidator, other than a liquidator appointed by, or by the direction of, the Court, the creditors may fill the vacancy.

Application of section 208-C to a creditors' voluntary winding up.

209-F. The provisions of section 208-C shall apply in the case of a creditors' voluntary winding up as in the case of a members' voluntary winding up with the modification that the powers of the liquidator under the said section shall not be exercised except with the sanction either of the Court or of the committee of inspection.

Duty of liquidator to call meetings of company and of creditors at end of each year.

209-G. (1) In the event of the winding up continuing for more than one year, the liquidator shall summon a general meeting of the company and a meeting of creditors at the end of the first year from the commencement of the winding up, and of each succeeding year, or as soon thereafter as may be convenient, and shall lay before the meetings an account of his acts and dealings and of the conduct of the winding up during the preceding year and a statement in the prescribed form containing the prescribed particulars with respect to the position of the winding up.

(2) If the liquidator fails to comply with this section, he shall be liable to a fine not exceeding one hundred rupees.

Final meeting and dissolution.

209-H. (1) As soon as the affairs of the company are fully wound up, the liquidator shall make up an account of the winding up showing how the winding up has been conducted and the property of the company has been disposed of, and thereupon shall call a general meeting of the company and a meeting of the creditors for the purpose of laying the account before the meetings and giving any explanation thereof.

(2) Each such meeting shall be called by advertisement specifying the time, place and object thereof and published one month at least before the meeting in the manner specified in sub-section (1) of section 206 for the publication of a notice under that sub-section.

(3) Within one week after the date of the meetings, or, if the meetings are not held on the same date, after the date of the later meeting, the liquidator shall send to the registrar a copy of the account, and shall make a return to him of the holding of the meetings and of their dates, and if the copy is not sent or the return is not made in accordance with this sub-section, the liquidator shall be liable to a fine not exceeding fifty rupees for every day during which the default continues:

Provided that, if a quorum (which for the purposes of this section shall be two persons) is not present at either such meeting, the liquidator shall, in lieu of such return, make a return that the meeting was duly summoned and that no quorum was present thereat, and upon such a return being made the provisions of this sub-section as to the making of the return shall, in respect of that meeting, be deemed to have been complied with.

(4) The registrar on receiving the account and in respect of each such meeting either of the returns mentioned in sub-section (3) shall forthwith register them, and on the expiration of three months from the registration thereof, the company shall be deemed to be dissolved:

Provided that the Court may, on the application of the liquidator or of any other person who appears to the Court to be interested, make an order deferring the date at which the dissolution of the company is to take effect for such time as the Court thinks fit.

(5) It shall be the duty of the person on whose application an order of the Court under this section is made, within ten days after the making of the order, to deliver to the registrar a certified copy of the order for registration, and if that person fails to do so he shall be liable to a fine not exceeding fifty rupees for every day during which the default continues.

MEMBERS' OR CREDITORS' VOLUNTARY WINDING UP.

Provisions applicable to every voluntary winding up.

210. The provisions contained in sections 211 to 218, both inclusive, shall apply to every voluntary winding up whether a members' or a creditors' winding up.

Distribution of property of company.

211. Subject to the provisions of this Regulation as to preferential payments, the property of a company shall, on its winding up, be applied in satisfaction of its liabilities *pari passu* and, subject to such application, shall, unless the articles otherwise provide, be distributed among the members according to their rights and interests in the company.

Powers and duties of liquidator in voluntary winding up.

212. (1) The liquidator may—

(*a*) in the case of a members' voluntary winding up, with the sanction of an extraordinary resolution of the company, and in the case of a creditors' voluntary winding up, with the sanction of either the Court or the committee of inspection, exercise any of the powers given by clauses (*d*), (*e*), (*f*) and (*h*) of section 179 to a liquidator in a winding up. The exercise by the liquidator of the powers given by this clause shall be subject to the control of the Court and any creditor or contributory may apply to the Court with respect to any exercise or proposed exercise of any of these powers;

(*b*) without the sanction referred to in clause (*a*), exercise any of the other powers by this Regulation given to the liquidator in a winding up by the Court;

(*c*) exercise the power of the Court under this Regulation of settling a list of contributories, and the list of contributories shall be *prima facie* evidence of the liability of the persons named therein to be contributories;

(*d*) exercise the power of the Court of making call;

(*e*) summon general meetings of the company for the purpose of obtaining the sanction of the company by special or extraordinary resolution or for any other purpose he may think fit.

(2) The liquidator shall pay the debts of the company and shall adjust the rights of the contributories among themselves.

(3) When several liquidators are appointed, any power given by this Regulation may be exercised by such one or more of them as may be determined at the time of their appointment, or, in default of such determination, by any number not less than two.

Power of Court to appoint and remove liquidator in voluntary winding up.

213. (1) If from any cause whatever there is no liquidator acting, the Court may appoint a liquidator.

(2) The Court may, on cause shown, remove a liquidator and appoint another liquidator.

Notice by liquidator of his appointment.

214. (1) The liquidator shall, within twenty-one days after his appointment, deliver to the registrar for registration a notice of his appointment in the form prescribed.

(2) If the liquidator fails to comply with the requirements of this section, he shall be liable to a fine not exceeding fifty rupees for every day during which the default continues.

Arrangement when binding on creditors

215. (1) Any arrangement entered into between a company about to be, or in the course of being, wound up and its creditors shall, subject to the right of appeal under this section, be binding on the company if sanctioned by an extraordinary resolution, and on the creditors if acceded to by three-fourths in number and value of the creditors.

(2) Any creditor or contributory may, within three weeks from the completion of the arrangement, appeal to the Court against it, and the Court may thereupon, as it thinks just, amend, vary or confirm the arrangement.

Power to apply to Court to have questions determined of powers exercised.

216. (1) The liquidator or any contributory or creditor may apply to the Court to determine any question arising in the winding up of a company, or to exercise, as respects the enforcing of calls, staying of proceedings or any other matter, all or any of the powers which the Court might exercise if the company were being wound up by the Court.

(2) The liquidator or any creditor or contributory may apply for an order setting aside any attachment, distress or execution put into force against the estate or effects of the company after the commencement of the winding up.

Such application shall be made—

(*a*) if the attachment, distress or execution is levied or put into force by the High Court, to the High Court, and

(*b*) if the attachment, distress or execution is levied or put into force in any other Court, to the Court having jurisdiction to wind up the company.

(3) The Court, if satisfied that the determination of the question or the required exercise of power or the order applied for will be just and beneficial, may accede wholly or partially to the application on such terms and conditions as it thinks fit, or may make such other order on the application as it thinks just.

Cost of voluntary winding up.

217. All costs, charges and expenses properly incurred in the winding up, including the remuneration of the liquidator, shall, subject to the rights of secured creditors, if any, be payable out of the assets of the company in priority to all other claims.

Saving for rights of creditors and contributories.

218. The winding up of a company shall not bar the right of any creditor or contributory to have it wound up by the Court, but in the case of an application by a contributory, the Court must be satisfied that the rights of the contributories will be prejudiced by a voluntary winding up.

219. * * * *

Power of Court to adopt proceedings of voluntary winding up.

220. Where a company is being wound up voluntarily, and an order is made for winding up by the Court, the Court, may, if it thinks fit, by the same or any subsequent order, provide for the adoption of all or any of the proceedings in the voluntary winding up.

WINDING UP SUBJECT TO SUPERVISION OF COURT.

221. When a company has by special or extraordinary resolution resolved to wind up voluntarily, the Court may make an order that the voluntary winding up shall continue, but subject to such supervision of the Court, and with such liberty for creditors, contributories or others to apply to the Court, and generally on such terms and conditions as the Court thinks just.

Power to order winding up subject to supervision.

222. A petition for the continuance of a voluntary winding up subject to the supervision of the Court shall, for the purpose of giving jurisdiction to the Court over suits, be deemed to be a petition for winding up by the Court.

Effect of petition for winding up subject to supervision.

223. The Court may, in deciding between a winding up by the Court and a winding up subject to supervision, in the appointment of liquidators, and in all other matters relating to the winding up subject to supervision, have regard to the wishes of the creditors or contributories as proved to it by any sufficient evidence.

Court may have regard to wishes of creditors and contributories.

224. (1) Where an order is made for a winding up subject to supervision, the Court may by the same or any subsequent order appoint any additional liquidator.

Power for Court to appoint or remove liquidators.

(2) A liquidator appointed by the Court under this section shall have the same powers, be subject to the same obligations, and in all respects stand in the same position as if he had been appointed by the company.

(3) The Court may remove any liquidator so appointed by the Court or any liquidator continued under the supervision order, and fill any vacancy occasioned by the removal, or by death or resignation.

225. (1) Where an order is made for a winding up subject to supervision, the liquidator may, subject to any restrictions imposed by the Court, exercise all his powers, without the sanction or intervention of the Court, in the same manner as if the company were being wound up altogether voluntarily.

Effect of supervision order.

(2) Except as provided in sub-section (1), and save for the purposes of section 196, any order made by the Court for a winding up subject to the supervision of the Court shall for all purposes, including the staying of suits and other proceedings, be deemed to be an order of the Court for winding up the company by the Court, and shall confer full authority on the Court to make calls, or to enforce calls made by the liquidators, and to exercise all

other powers which it might have exercised if an order had been made for winding up the company altogether by the Court.

(3) In the construction of the provisions whereby the Court is empowered to direct any act or thing to be done to or in favour of the official liquidator, the expression "official liquidator" shall be deemed to mean the liquidator conducting the winding up, subject to the supervision of the Court.

Appointment in certain cases of voluntary liquidators to office of official liquidators.

226. Where an order has been made for the winding up of a company subject to supervision, and an order is afterwards made for winding up by the Court, the Court may, by the last mentioned order or by any subsequent order, appoint the voluntary liquidators or any of them, either provisionally, or permanently and either with or without the addition of any other person to be official liquidator in the winding up by the Court.

Supplemental Provisions.

Avoidance of transfers, etc., after commencement of winding up.

227. (1) In the case of voluntary winding up, every transfer of shares, except transfers made to or with the sanction of the liquidator, and every alteration in the status of the members of the company made after the commencement of the winding up shall be void.

(2) In the case of a winding up by or subject to the supervision of the Court, every disposition of the property (including actionable claims) of the company, and every transfer of shares, or alteration in the status of its members, made after the commencement of the winding up shall, unless the Court otherwise orders, be void.

Debts of all descriptions to be proved.

228. In every winding up (subject in the case of insolvent companies to the application in accordance with the provisions of this Regulation of the law of insolvency) all debts payable on a contingency, and all claims against the company, present or future, certain or contingent, shall be admissible to proof against the company, a just estimate being made, so far as possible, of the value of such debts or claims as may be subject to any contingency or for some other reason do not bear a certain value.

Application of insolvency rules in winding up of insolvent companies.

229. In the winding up of an insolvent company, the same rules shall prevail and be observed with regard to the respective rights of secured and unsecured creditors and to debts provable and to the valuation of annuities and future and contingent liabilities as are in force for the

time being under the law of insolvency with respect to the estates of persons adjudged insolvent; and all persons who in any such case would be entitled to prove for and receive dividends out of the assets of the company may come in under the winding up, and make such claims against the company as they respectively are entitled to by virtue of this section.

Preferential payments.

230. (1) In a winding up there shall be paid in priority to all other debts—

(*a*) all revenue, taxes, cesses and rates, whether payable to the Government or to a local authority, due from the company at the date hereinafter mentioned and having become due and payable within the twelve months next before that date;

(*b*) all wages or salary of any clerk or servant in respect of service rendered to the company within the two months next before the said date, not exceeding one thousand rupees for each clerk or servant;

(*c*) all wages of any labourer or workman, not exceeding five hundred rupees for each, whether payable for time or piecework, in respect of services rendered to the company within the two months next before the said date;

(*d*) compensation payable under the Workmen's Compensation Regulation, 1928 in respect of the death or disablement of any officer or employee of the company;

(*e*) all sums due to any employee from a provident fund, a pension fund, a gratuity fund or any other fund for the welfare of the employees maintained by the company; and

(*f*) the expenses of any investigation held in pursuance of clause (iv) of section 138 of this Regulation.

(2) The foregoing debts shall—

(*a*) rank equally among themselves and be paid in full, unless the assets are insufficient to meet them, in which case they shall abate in equal proportion; and

(*b*) so far as the assets of the company available for the payment of general creditors are insufficient to meet them, have priority over the

claims of holders of debentures under any floating charge created by the company, and be paid accordingly out of any property comprised in or subject to that charge.

(3) Subject to the retention of such sums as may be necessary for the costs and expenses of the winding up, the foregoing debts shall be discharged forthwith so far as the assets are sufficient to meet them.

(4) In the event of a landlord or other person distraining or having distrained on any goods or effects of the company within three months next before the date of a winding up order, the debts to which priority is given by this section shall be a first charge on the goods or effects so distrained on, or the proceeds of the sale thereof:

Provided that in respect of any money paid under any such charge the landlord or other person shall have the same rights of priority as the person to whom the payment is made.

(5) The date hereinbefore in this section referred to is,—

(*a*) in the case of a company ordered to be wound up compulsorily which had not previously commenced to be wound up voluntarily, the date of the winding up order; and

(*b*) in any other case, the date of the commencement of the winding up.

Disclaimer of property.

230-A. (1) Where any part of the property of a company which is being wound up consists of land of any tenure burdened with onerous covenants, of shares or stock in companies, of unprofitable contracts or of any other property that is unsaleable, or not readily saleable, by reason of its binding the possessor thereof to the performance of any onerous act, or to the payment of any sum of money, the liquidator of the company, notwithstanding that he had endeavoured to sell or has taken possession of the property, or exercised any act of ownership in relation thereto, may, with the leave of the Court and subject to the provisions of this section, by writing signed by him, at any time within twelve months after the commencement of the winding up or such extended period as may be allowed by the Court, disclaim the property:

Provided that, where any such property has not come to the knowledge of the liquidator within one month after the commencement of the winding up, the power under this section of disclaiming the property may by exercised at any time within twelve months after he has become aware thereof or such extended period as may be allowed by the Court.

(2) The disclaimer shall operate to determine, as from the date of disclaimer, the rights, interest and liabilities of the company, and the property of the company, in or in respect of the property disclaimed but shall not, except so far as is necessary for the purpose of releasing the company and the property of the company from liability, affect the rights or liabilities of any other person.

(3) The Court, before or on granting leave to disclaim, may require such notices to be given to persons interested, and impose such terms as a condition of granting leave, and make such other order in the matter as the Court thinks just.

(4) The liquidator shall not be entitled to disclaim any property under this section in any case where an application in writing has been made to him by any persons interested in the property requiring him to decide whether he will or will not disclaim, and the liquidator has not, within a period of twenty-eight days after the receipt of the application or such further period as may be allowed by the Court, given notice to the applicant that he intends to apply to the Court for leave to disclaim, and in the case of a contract, if the liquidator, after such an application as aforesaid, does not within the said period or further period disclaim the contract, the company shall be deemed to have adopted it.

(5) The Court may, on the application of any person who is, as against the liquidator, entitled to the benefit or subject to the burden of a contract made with the company, make an order rescinding the contract on such terms as to payment by or to either party of damages for the non-performance of the contract, or otherwise as the Court thinks just, and any damages payable under the order to any such person may be proved by him as a debt in the winding up.

(6) The Court may, on an application by any person who either claims any interest in any disclaimed property or is under any liability not discharged by this

Regulation in respect of any disclaimed property and on hearing any such persons as it thinks fit, make an order for the vesting of the property in or the delivery of the property to any persons entitled thereto, or to whom it may seem just that the property should be delivered by way of compensation for such liability as aforesaid, or a trustee for him, and on such terms as the Court thinks just, and on any such vesting order being made, the property comprised therein shall vest accordingly in the person therein named in that behalf without any conveyance or assignment for the purpose:

Provided that, where the property disclaimed is of a leasehold nature, the Court shall not make a vesting order in favour of any person claiming under the company whether as under-lessee or as mortgagee except upon the terms of making that person—

(*a*) subject to the same liabilities and obligations as those to which the company was subject under the lease in respect of the property at the commencement of the winding up; or

(*b*) if the Court thinks fit, subject only to the same liabilities and obligations as if the lease had been assigned to that person at that date;

and in either event (if the case so requires) as if the lease had comprised only the property comprised in the vesting order, and any mortgagee or under-lessee declining to accept a vesting order upon such terms shall be excluded from all interest in and security upon the property, and, if there is no person claiming under the company who is willing to accept an order upon such terms, the Court shall have power to vest the estate and interest of the company in the property in any person liable, either personally or in a representative character, and either alone or jointly with the company, to perform the lessee's covenants in the lease, freed and discharged from all estates, incumbrances and interests created therein by the company.

(7) Any person injured by the operation of a disclaimer under this section shall be deemed to be a creditor of the company to the amount of the injury, and may accordingly prove the amount as a debt in the winding up.

Fraudulent preference

231. (1) Any transfer, delivery of goods, payment, execution or other act relating to property which would, if made or done by or against an individual, be deemed in

his insolvency a fraudulent preference, shall, if made or done by or against a company, be deemed, in the event of its being wound up, a fraudulent preference of its creditors, and be invalid accordingly.

(2) For the purposes of this section, the presentation of a petition for winding up in the case of a winding up by or subject to the supervision of the Court, and a resolution for winding up, in the case of a voluntary winding up, shall be deemed to correspond with the act of insolvency in the case of an individual.

(3) Any transfer or assignment by a company of all its property to trustees for the benefit of all its creditors shall be void.

Avoidance of certain attachments, executions, etc.

232. (1) Where any company is being wound up by or subject to the supervision of the Court, any attachment, distress or execution put in force without leave of the Court against the estate or effects or any sale held without leave of the Court of any of the properties of the company after the commencement of the winding up shall be void.

(2) Nothing in this section applies to proceedings by the Government.

Effect of floating charge.

233. Where a company is being wound up, a floating charge on the undertaking or property of the company created within three months of the commencement of the winding up shall, unless it is proved that the company immediately after the creation of the charge was solvent, be invalid except to the amount of any cash paid to the company at the time of, or subsequently to the creation of, and in consideration for, the charge, together with interest on that amount at the rate of five per cent per annum.

General scheme of liquidation may be sanctioned.

234. (1) The liquidator may, with the sanction of the Court when the company is being wound up by the Court or subject to the supervision of the Court, and with the sanction of an extraordinary resolution of the company in the case of a voluntary winding up, do the following things or any of them :—

(i) pay any classes of creditors in full ;

(ii) make any compromise or arrangement with creditors or persons claiming to be creditors or having or alleging themselves to have any claim present or future, whereby the company may be rendered liable ;

(iii) compromise all calls and liabilities to calls, debts and liabilities capable of resulting in debts, and all claims, present or future, certain or contingent subsisting or supposed to subsist between the company and a contributory or alleged contributory or other debtor or person apprehending liability to the company, and all questions in any way relating to or affecting the assets or the winding up of the company, on such terms as may be agreed, and take any security for the discharge of any such call, debt, liability or claim, and give a complete discharge in respect thereof.

(2) The exercise by the liquidator of the powers of this section shall be subject to the control of the Court, and any creditor or contributory may apply to the Court with respect to any exercise or proposed exercise of any of these powers.

Power of court to assess damages against delinquent directors, etc.

235. (1) Where, in the course of winding up a company, it appears that any person who has taken part in the formation or promotion of the company, or any past or present director, manager or liquidator, or any officer of the company has misapplied or retained or become liable or accountable for any money or property of the company, or been guilty of any misfeasance or breach of trust in relation to the company, the Court may, on the application of the liquidator, or of any creditor or contributory, made within three years from the date of the first appointment of a liquidator in the winding up or of the misapplication, retainer, misfeasance or breach of trust, as the case may be, whichever is longer, examine into the conduct of the promoter, director, manager, liquidator or officer, and compel him to repay or restore the money or property or any part thereof respectively with interest at such rate as the Court thinks just, or to contribute such sum to the assets of the company by way of compensation in respect of the misapplication, retainer, misfeasance or breach of trust as the Court thinks just.

(2) This section shall apply notwithstanding that the offence is one for which the offender may be criminally responsible.

(3) Nothing contained in sub-section (1) shall operate to extend the period of limitation in respect of any application which was already barred by limitation at the commencement of the Mysore Companies Regulation, 1938.

236. If any director, manager, officer or contributory of any company being wound up destroys, mutilates, alters or falsifies or fraudulently secretes any books, papers or securities, or makes, or is privy to the making of any false or fraudulent entry in any register, book of account or document belonging to the company with intent to defraud or deceive any person, he shall be liable to imprisonment for a term which may extend to seven years, and shall also be liable to fine.

Penalty for falsification of books.

237. (1) If it appears to the Court in the course of a winding up by, or subject to the supervision of, the Court that any past or present director, manager or other officer, or any member, of the company has been guilty of any offence in relation to the company for which he is criminally liable, the Court may, either on the application of any person interested in the winding up or of its own motion, direct the liquidator either himself to prosecute the offender or to refer the matter to the registrar.

Prosecution of delinquent directors.

(2) If it appears to the liquidator in the course of a voluntary winding up that any past or present director, manager or other officer, or any member of the company has been guilty of any offence in relation to the company for which he is criminally liable, he shall forthwith report the matter to the registrar and shall furnish to him such information and give to him such access to and facilities for inspecting and taking copies of any documents, being information or documents in the possession or under the control of the liquidator relating to the matter in question, as he may require.

(3) Where any report is made under sub-section (2) to the registrar, he may, if he thinks fit, refer the matter to the Government for further inquiry, and the Government shall thereupon investigate the matter and may, if they think it expedient, apply to the Court for an order conferring on any person designated by the Government for the purpose with respect to the company concerned all such powers of investigating the affairs of the company as are provided by this Regulation in the case of a winding up by the Court.

(4) If on any report to the registrar under sub-section (2) it appears to him that the case is not one in which proceedings ought to be taken by him, he shall inform the liquidator accordingly, and thereupon, subject to the previous sanction of the Court, the liquidator may himself take proceedings against the offender.

(5) If it appears to the Court in the course of a voluntary winding up that any past or present director, manager or other officer, or any member, of the company has been guilty as aforesaid, and that no report with respect to the matter has been made by the liquidator to the registrar, the Court may, on the application of any person interested in the winding up or of its own motion, direct the liquidator to make such a report, and on a report being made accordingly, the provisions of this section shall have effect as though the report has been made in pursuance of the provisions of sub-section (2).

(6) If, where any matter is reported or referred to the registrar under this section, he considers that the case is one in which a prosecution ought to be instituted, he shall place the papers before the Government Advocate or any other officer duly authorised by the Government in this behalf and if advised to do so institute proceedings:

Provided that no prosecution shall be undertaken without first giving the accused person an opportunity of making a statement in writing to the registrar and of being heard thereon.

(7) When any proceedings are instituted under this section it shall be the duty of the liquidator and of every officer and agent of the Company past and present (other than the defendant in the proceedings) to give all assistance in connection with the prosecution which he is reasonably able to give and for the purposes of this sub-section the expression 'agent' in relation to a Company shall be deemed to include any banker or legal adviser of the Company and any person employed by the Company as auditor whether that person is or is not an officer of the Company; and

(8) If any person fails or neglects to give assistance in manner required by sub-section (7), the Court may, on the application of the registrar, direct that person to comply with the requirements of the said sub-section, and where any such application is made with respect to a liquidator, the Court may, unless it appears that the failure or neglect to comply was due to the liquidator not having in his hands sufficient assets of the company to enable him so to do, direct that the

costs of the application shall be borne by the liquidator personally.

238. If any person, upon any examination upon oath authorised under this regulation, or in any affidavit, deposition or solemn affirmation, in or about the winding up of any company under this Regulation, or otherwise in or about any matter arising under this Regulation intentionally gives false evidence, he shall be liable to imprisonment for a term which may extend to seven years, and shall also be liable to fine. Penalty for false evidence.

238-A. (1) If any person, being a past or present director, managing agent, manager or other officer of a company which at the time of the commission of the alleged offence is being wound up, whether by or under the supervision of the Court or voluntarily, or is subsequently ordered to be wound up by the Court or subsequently passes a resolution for voluntary winding up— Penal provisions.

(*a*) does not to the best of his knowledge and belief fully and truly discover to the liquidator all the property, real and personal, of the company, and how and to whom and for what consideration and when the company disposed of any part thereof, except such part as has been disposed of in the ordinary way of the business of the company; or

(*b*) does not deliver up to the liquidator, or as he directs, all such part of the real and personal property of the company as is in his custody or under his control, and which he is required by law to deliver up; or

(*c*) does not deliver up to the liquidator, or as he directs, all books and papers in his custody or under his control belonging to the company and which he is required by law to deliver up; or

(*d*) within twelve months next before the commencement of the winding up or at any time thereafter conceals any part of the property of the company to the value of one hundred rupees or upwards or conceals any debt due to or from the company; or

(*e*) within twelve months next before the commencement of the winding up or at any time thereafter fraudulently removes any part of the property of the company to the value of one hundred rupees or upwards; or

(*f*) makes any material omission in any statement relating to the affairs of the company; or

(*g*) knowing or believing that a false debt has been proved by any person under the winding up, fails for the period of a month to inform the liquidator thereof; or

(*h*) after the commencement of the winding up prevents the production of any book or paper affecting or relating to the property or affairs of the company; or

(*i*) within twelve months next before the commencement of the winding up or at any time thereafter, conceals, destroys, mutilates or falsifies, or is privy to the concealment, destruction, mutilation or falsification of any book or paper affecting or relating to the property or affairs of the company; or

(*j*) within twelve months next before the commencement of the winding up or at any time thereafter makes or is privy to the making of any false entry in any book or paper affecting or relating to the property or affairs of the company; or

(*k*) within twelve months next before the commencement of the winding up or at any time thereafter fraudulently parts with, alters or makes any omission in, or is privy to the fraudulent parting with, altering or making any omission in, any document affecting or relating to the property or affairs of the company; or

(*l*) after the commencement of the winding up or at any meeting of the creditors of the company within twelve monthsnext before the commencement of the winding up, attempts to account for any part of the property of the company by fictitious losses or expenses; or

(*m*) has within twelve months next before the commencement of the winding up or at any time thereafter, by any false representation or other fraud, obtained any property for or on behalf of the company on credit which the company does not subsequently pay for; or

(*n*) within twelve months next before the commencement of the winding up or at any time thereafter, under the false pretence that the company is carrying on its business, obtains on credit, for or on behalf of the company, any property which the company does not subsequently pay for; or

(*o*) within twelve months next before the commencement of the winding up or at any time thereafter pawns, pledges or disposes of any property of the company which has been obtaind on credit and has not been paid for, unless such pawning, pledging or disposing is in the ordinary way of the business of the company; or

(*p*) is guilty of any false representation or other fraud for the purpose of obtaining the consent of the creditors of the company or any of them to an agreement with reference to the affairs of the company or to the winding up;

he shall be punishable, in the case of the offences mentioned respectively in clauses (*m*), (*n*) and (*o*) of this sub-section, with imprisonment for a term not exceeding five years, and, in the case of any other offence, with imprisonment for a term not exceeding two years:

Provided that it shall be a good defence to a charge under any of clauses (*b*), (*c*), (*d*), (*f*), (*n*) and (*o*), if the accused proves that he had no intent to defraud, and to a charge under any of clauses (*a*), (*h*), (*i*) and (*j*), if he proves that he had no intent to conceal the state of affairs of the company or to defeat the law.

(2) Where any person pawns, pledges or disposes of any property in circumstances which amount to an offence under clause (*o*) of sub-section (1), every person who takes in pawn or pledge or otherwise receives the property knowing it to be pawned, pledged or disposed of in such circumstances as aforesaid, shall be punishable with imprisonment for a term not exceeding three years.

Meetings to ascertain wishes of creditors or contributories.

239. (1) Where by this Regulation the Court is authorised in relation to winding up to have regard to the wishes of creditors or contributories, as proved to it by any sufficient evidence, the Court may, if it thinks fit for the purpose of ascertaining those wishes, direct meetings of the creditors or contributories to be called, held and conducted in such manner as the Court directs, and may appoint a person to act as chairman of any such meeting and to report the result thereof to the Court.

(2) In the case of creditors, regard shall be had to the value of each creditor's debt.

(3) In the case of contributories, regard shall be had to the number of votes conferred on each contributory by the articles.

Documents of company to be evidence.

240. Where any company is being wound up, all documents of the company and of the liquidator shall, as between the contributories of the company, be *prima facie* evidence of the truth of all matters purporting to be therein recorded.

Inspection of documents.

241. After an order for a winding up by or subject to the supervision of the Court, the Court may make such

order for inspection by creditors and contributories of the company of its documents as the Court thinks just, and any documents in the possession of the company may be inspected by creditors or contributories accordingly, but not further or otherwise.

Disposal of documents of company

242. (1) When a company has been wound up and is about to be dissolved, the documents of the company and of the liquidators may be disposed of as follows (that is to say):—

(*a*) in the case of a winding up by or subject to the supervision of the Court, in such way as the Court directs;

(*b*) in the case of a voluntary winding up, in such way as the company by extraordinary resolution directs.

(2) After three years from the dissolution of the company, no responsibility shall rest on the company or the liquidators, or any person to whom the custody of the documents has been committed, by reason of the same not being forthcoming to any person claiming to be interested therein.

Power of Court to declare dissolution of company void

243. (1) Where a company has been dissolved, the Court may, at any time within two years of the date of the dissolution, on an application being made for the purpose by the liquidator of the company or by any other person who appears to the Court to be interested, make an order, upon such terms as the Court thinks fit, declaring the dissolution to have been void, and thereupon such proceedings may be taken as might have been taken if the company had not been dissolved.

(2) It shall be the duty of the person on whose application the order was made, within twenty-one days after the making of the order, to file with the registrar a certified copy of the order, and if that person fails so to do, he shall be liable to a fine not exceeding fifty rupees for every day during which the default continues.

Information as to pending liquidations.

244. (1) Where a company is being wound up, if the winding up is not concluded within one year after its commencement, the liquidator shall, once in each year and at intervals of not more than twelve months, until the winding up is concluded, file in Court or with the registrar, as the case may be, a statement in the prescribed form and containing the prescribed particulars

with respect to the proceedings in and position of the liquidation.

(2) Any person stating himself in writing to be a creditor or contributory of the company shall be entitled, by himself or by his agent, at all reasonable times on payment of the prescribed fee, to inspect the statement, and to receive a copy thereof or extract therefrom; but any person untruthfully so stating himself to be a creditor or contributory shall be deemed to be guilty of an offence under section 182 of the Indian Penal Code, and shall be punishable accordingly on the application of the liquidator.

(3) If a liquidator fails to comply with the requirements of this section, he shall be liable to a fine not exceeding five hundred rupees for each day during which the default continues.

(4) When the statement is filed in Court a copy shall simultaneously be filed with the registrar and shall be kept by him along with the other records of the company.

Payment by liquidator into bank.

244-A. (1) Every liquidator of a company which is being wound up by the Court shall, in such manner and at such times as may be prescribed, pay the money received by him into a bank approved by Government:

Provided that if the Court is satisfied that for the purpose of carrying on the business of the company or of obtaining advances or for any other reason it is for the advantage of the creditors or contributories that the liquidator should have an account with any other bank, the Court may authorise the liquidator to make his payments into or out of such other bank as the Court may select and thereupon those payments shall be made in the prescribed manner.

(2) If any such liquidator at any time retains for more than ten days a sum exceeding five hundred rupees or such other amount as the Court may in any particular case authorise him to retain, then, unless he explains the retention to the satisfaction of the Court, he shall pay interest on the amount so retained in excess at the rate of twenty per cent per annum and shall ba liable to disallowance of all or such part of his remuneration as the Court may think just and to be removed from his office by the Court and shall be liable to pay any expenses occasioned by reason of his default.

(3) A liquidator of a company which is being wound up shall open a special banking account and pay all sums received by him as liquidator into such account.

Court or person before whom affidavit may be sworn.

245. (1) Any affidavit required to be sworn under the provisions or for the purposes of this Part may be sworn in Mysore before any Court, Judge or person lawfully authorised to take and receive affidavits, or elsewhere before any Court or authority before whom a similar affidavit may be validly sworn.

(2) All Courts, Judges, Justices, Commissioners, and persons acting judicially in Mysore shall take judicial notice of the seal or stamp or signature (as the case may be) of any such Court, Judge, person, or authority, attached, appended or subscribed to any such affidavit or to any other document to be used for the purposes of this Part.

RULES.

Power of High Court to make rules.

246. (1) The High Court may, from time to time, make rules consistent with this Regulation and with the Code of Civil Procedure, 1911, concerning the mode of proceedings to be had for winding up a company in such Court and in the Courts subordinate thereto, and for voluntary winding up (both members and creditors), for the holding of meetings of creditors and members in connection with proceedings under section 153 of this Regulation, and for giving effect to the provisions hereinbefore contained as to the reduction of the capital and the sub-division of the shares of a company and generally for all applications to be made to the Court under the provisions of this Regulation, and shall make rules providing for all matters relating to the winding up of companies which by this Regulation are to be prescribed.

(2) Without prejudice to the generality of the foregoing power, the High Court may by such rules enable or require all or any of the powers and duties conferred and imposed on the Court by this Regulation, in respect of the matters following, to be exercised or performed by the official liquidator, and subject to the control of the Court, that is to say, the powers and duties of the Court in respect of,—

(*a*) holding and conducting meetings to ascertain the wishes of creditors and contributories;

(*b*) settling lists of contributories and rectifying the register of members where required, and collecting and applying the assets;

(c) requiring delivery of property or documents to the liquidator;

(d) making calls;

(e) fixing a time within which debts and claims must be proved:

Provided that the official liquidator shall not, without the special leave of the Court, rectify the register of members, and shall not make any call without the special leave of the Court.

REMOVAL OF DEFUNCT COMPANIES FROM REGISTER.

Registrar may strike defunct company off register.

247. (1) Where the registrar has reasonable cause to believe that a company is not carrying on business or in operation, he shall send to the company by post a letter inquiring whether the company is carrying on business or in operation.

(2) If the registrar does not within one month of sending the letter receive any answer thereto, he shall within fourteen days after the expiration of the month send to the company by post a registered letter referring to the first letter, and stating that no answer thereto has been received and that, if an answer is not received to the second letter within one month from the date thereof, a notice will be published in the official Gazette with a view to striking the name of the company off the register.

(3) If the registrar either receives an answer from the company to the effect that it is not carrying on business or in operation, or does not within one month after sending the second letter receive any answer, he may publish in the official Gazette, and send to the company by post a notice that, at the expiration of three months from the date of that notice, the name of the company mentioned therein will, unless cause is shown to the contrary, be struck off the register and the company will be dissolved.

(4) If, in any case where a company is being wound up, the registrar has reasonable cause to believe either that no liquidator is acting or that the affairs of the company are fully wound up, and the returns required to be made by the liquidator have not been made for a period of six consecutive months after notice by the registrar demanding the returns has been sent by post to the company, or to the liquidator at his last known place of business, the registrar may publish in the official Gazette and

send to the company a like notice as is provided in the last preceding sub-section.

(5) At the expiration of the time mentioned in the notice, the registrar may unless cause to the contrary is previously shown by the company, strike its name off the register, and shall publish notice thereof in the official Gazette, and, on the publication in the official Gazette of this notice, the company shall be dissolved: provided that the liability (if any) of every director and member of the company shall continue and may be enforced as if the company had not been dissolved.

(6) If a company or any member or creditor thereof feels aggrieved by the company having been struck off the register, the Court, on the application of the company or member or creditor, may, if satisfied that the company was at the time of the striking off carrying on business or in operation, or otherwise that it is just that the company be restored to the register, order the name of the company to be restored to the register, and thereupon the company shall be deemed to have continued in existence as if its name had not been struck off; and the Court may by the order give such directions and make such provisions as seem just for placing the company and all other persons in the same position as nearly as may be as if the name of the company had not been struck off.

(7) A letter or notice under this section may be addressed to the company at its registered office, or, if no office has been registered, to the care of some director, manager or other officer of the company, or if there is no director, manager or other officer of the company whose name and address are known to the registrar, may be sent to each of the persons who subscribed the memorandum, addressed to him at the address mentioned in the memorandum.

PART VI.

Registration Office and Fees.

Registration Offices.

248. (1) The Government may appoint such registrars and assistant registrars as it thinks necessary for the registration of companies under this Regulation, and may make rules with respect to their duties.

(2) The Government may direct a seal or seals to be prepared for the authentication of documents required for or connected with the registration of companies.

(3) Any person may inspect the documents kept by the registrar on payment of such fees as may be appointed by the Government, not exceeding one rupee for each inspection; and any person may require a certificate of the incorporation of any company, or a copy or extract of any other document or any part of any other document, to be certified by the registrar on payment for the certificate, certified copy or extract, of such fees as the Government may appoint, not exceeding three rupees for a certificate of incorporation, and not exceeding six annas for every hundred words or fractional part thereof required to be copied.

(4) Whenever any act is by this Regulation directed to be done to or by the registrar it shall, until the Government otherwise directs, be done to or by the existing registrar of joint-stock companies or in his absence to or by such person as the Government may for the time being authorise; but, in the event of the Government altering the constitution of the existing registry offices, or any of them, any such act shall be done to or by such officer and at such place with reference to the local situation of the registered offices of the companies to be registered as the Government may appoint.

Fees.

249. (1) There shall be paid to the registrar in respect of the several matters mentioned in Table B in the First Schedule the several fees therein specified, or such smaller fees as the Government may direct.

(2) All fees paid to the registrar in pursuance of this Regulation shall be credited to the Government.

Enforcing submission of returns and documents to Registrar.

249-A. (1) If a company, having made default in complying with any provision of this Regulation which requires it to file with, deliver or send to the registrar any return, account or other document, or to give notice to him of any matter, fails to make good the default within fourteen days after the service of a notice on the company requiring it to do so, the Court may, on an application made to the Court by any member or creditor of the company or by the registrar, make an order directing the company and any officer thereof to make good the default within such time as may be specified in the order.

(2) Any such order may provide that all costs of and incidental to the application shall be borne by the company or by any officers of the company responsible for the default.

(3) Nothing in this section shall be taken to prejudice the operation of any enactment imposing penalties on a company or its officers in respect of any such default as aforesaid.

PART VII.

Application of Regulation to Companies formed and registered under former Companies Act and Regulation.

Application of Regulation to companies formed under former Companies Act and Regulations.

250. In the application of this Regulation to existing companies, it shall apply in the same manner in the case of a limited company, other than a company limited by guarantee, as if the company had been formed and registered under this Regulation as a company limited by shares; in the case of a company limited by guarantee, as if the company had been formed and registered under this Regulation as a company limited by guarantee: and in the case of a company other than a limited company, as if the company had been formed and registered under this Regulation as an unlimited company:

Provided that—

(1) nothing in Table A in the First Schedule shall apply to a company formed and registered under the Indian Companies Act, 1866, or the Mysore Companies Regulation, 1895 or the Mysore Companies Regulation, 1917;

(2) reference, express or implied, to the date of registration shall be construed as a reference to the date at which the company was registered under the Indian Companies Act, 1866, or the Mysore Companies Regulation, 1895, or the Mysore Companies Regulation, 1917, as the case may be.

Application of Regulation to companies registered but not formed under former Companies Act and Regulations.

251. This Regulation shall apply to every company registered but not formed under the Indian Companies Act, 1866, or the Mysore Companies Regulation, 1895, or the Mysore Companies Regulation, 1917, in the same manner as it is hereinafter in this Regulation declared to apply to companies registered but not formed under this Regulation:

Provided that reference, express or implied, to the date of registration shall be construed as a reference to the date at which the company was registered under the said Act or Regulations.

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PART VIII.

Companies Authorised to Register under this Regulation.

Companies capable of being registered.

253. (1) With the exceptions and subject to the provisions mentioned and contained in this section—

any company consisting of seven or more members, which was in existence on the first day of November eighteen hundred and ninety-five may at any time register under this Regulation as an unlimited company or as a company limited by shares, or as a company limited by guarantee; and the registration shall not be invalid by reason that it has taken place with a view to the company being wound up:

(2) Provided as follows:—

(*a*) a company that is not a joint-stock company as hereinafter defined shall not register in pursuance of this section as a company limited by shares;

(*b*) a company shall not register in pursuance of this section without the assent of a majority of such of its members as are present in person or by proxy (in cases where proxies are allowed by the articles) at a general meeting summoned for the purpose;

(*c*) where a company is about to register as a company limited by guarantee, the assent to its being so registered shall be accompanied by a resolution declaring that each member undertakes to contribute to the assets of the company, in the event of its being wound up while he is a member, or within one year afterwards, for payment of the debts and liabilities of the company contracted before he ceased to be a member, and of the costs and expenses of winding up, and for the adjustment of the rights of the contributories among themselves such amount as may be required not exceeding a specified amount.

(3) In computing any majority under this section when a poll is demanded, regard shall be had to the number of votes to which each member is entitled according to the articles.

(4) A company registered under the Mysore Companies Regulation, 1895, shall not be registered in pursuance of this section.

Definition of "joint-stock company."

254. For the purposes of this Part as far as relates to registration of companies as companies limited by shares, a joint-stock company means a company having a permanent paid-up or nominal share capital of fixed amount divided into shares, also of fixed amount or held and transferable as stock, or divided and held partly in one way and partly in the other, and formed on the principle of having for its members the holders of those shares or that stock, and no other persons; and such a company, when registered with limited liability under this Regulation, shall be deemed to be a company limited by shares.

Requirements for registration by joint-stock companies.

255. Before the registration in pursuance of this Part of a joint-stock company, there shall be delivered to the registrar the following documents (that is to say):—

(1) a list showing the names, addresses and occupations of all persons who on a day named in the list, not being more than six clear days before the day of registration, were members of the company, with the addition of the shares or stock held by them respectively, distinguishing, in cases where the shares are numbered, each share by its number;

(2) a copy of any deed of settlement, contract of co-partnery or other instrument constituting or regulating the company; and

(3) if the company is intended to be registered as a limited company, a statement specifying the following particulars (that is to say):—

(*a*) the nominal share capital of the company and the number of shares into which it is divided or the amount of stock of which it consists;

(*b*) the number of shares taken and the amount paid on each share;

(*c*) the name of the company, with the addition of the word "Limited" as the last word thereof; and

(*d*) in the case of a company intended to be registered as a company limited by guarantee, the resolution declaring the amount of the guarantee.

256. Before the registration in pursuance of this Part of any company not being a joint-stock company, there shall be delivered to the registrar—

Requirements for registration by other than joint-stock companies.

(1) a list showing the names, addresses and occupations of the directors of the company; and

(2) a copy of any deed of settlement, contract of co-partnery or other instrument constituting or regulating the company; and

(3) in the case of company intended to be registered as a company limited by guarantee, a copy of the resolution declaring the amount of the guarantee.

257. The lists of members and directors and any other particulars relating to the company required to be delivered to the registrar shall be duly verified by a declaration of any two or more directors or other principal officers of the company.

Authentication of statement of existing companies.

258. The registrar may require such evidence as he thinks necessary for the purpose of satisfying himself whether any company proposing to be registered is or is not a joint-stock company as hereinbefore defined.

Registrar may require evidence as to nature of company.

259. (1) Where a banking company, which was in existence on the first day of November eighteen hundred and ninety-five, proposes to register as a limited company it shall, at least thirty days before so registering, give notice of its intention so to register to every person who has a banking account with the company, either by delivery of the notice to him, or by posting it to him at, or delivering it at, his last known address.

On registration of banking company with limited liability notice to be given to customers.

(2) If the company omits to give the notice required by this section, then as between the company and the person for the time being interested in the account in respect of which the notice ought to have been given and so far as respects the account down to the time at which the notice is given, but not further or otherwise, the certificate of registration with limited liability shall have no operation.

260. No fees shall be charged in respect of the registration in pursuance of this part of a company, if it is not registered as a limited company.

Exemption of certain companies from payment of fees.

261. When a company registers in pursuance of this Part with limited liability, the word "Limited" shall form and be registered as part of its name.

Addition of "Limited" to name.

Certificate of registration of existing companies.

262. On compliance with the requirements of this Part with respect to registration, and on payment of such fees, if any, as are payable under B in the First Schedule, the registrar shall certify under his hand that the company applying for registration is incorporated as a company under this Regulation, and in the case of a limited company that it is limited, and thereupon the company shall be incorporated, and shall have perpetual succession and a common seal.

Vesting of property on registration.

263. All property, movable and immovable, including all interests and rights in, to and out of property, movable and immovable, and including obligations and actionable claims as may belong to or be vested in a company at the date of its registration in pursuance of this Part, shall, on registration, pass to and vest in the company as incorporated under this Regulation for all the estate and interest of the company therein.

Saving of existing liabilities.

264. The registration of a company in pursuance of this Part shall not affect the rights or liabilities of the company in respect of any debt or obligation incurred or any contract entered into, by, to, with, or on behalf of, the company before registration.

Continuation of existing suits.

265. All suits and other legal proceedings which at the time of the registration of a company in pursuance of this Part are pending by or against the company, or the public officer or any member thereof, may be continued in the same manner as if the registration had not taken place; nevertheless execution shall not issue against the effects of any individual member of the company on any decree or order obtained in any such suit or proceeding; but in the event of the property and effects of the company being insufficient to satisfy the decree or order, an order may be obtained for winding up the company.

Effect of registration under Regulation.

266. When a company is registered in pursuance of this Part—

(*i*) all provisions contained in any deed of settlement, contract of co-partnery, or other instrument constituting or regulating the company, including, in the case of a company, registered as a company limited by guarantee, resolution declaring the amount of the guarantee, shall be deemed to be conditions and regulations of the company in the same manner and with the same incidents as if so much thereof as would, if the company had been formed under this Regulation, have been required to

be inserted in the memorandum, were contained in a registered memorandum, and the residue thereof were contained in registered articles;

(*ii*) all the provisions of this Regulation shall apply to the company and the members, contributories and creditors thereof, in the same manner in all respects as if it had been formed under this Regulation, subject as follows (that is to say):—

(*a*) the regulations in Table A in the First Schedule shall not apply unless adopted by special resolution;

(*b*) the provisions of this Regulation relating to the numbering of shares shall not apply to any joint-stock company whose shares are not numbered;

(*c*) in the event of the company being wound up, every person shall be a contributory, in respect of the debts and liabilities of the company contracted before registration, who is liable to pay or contribute to the payment of any debt or liability of the company contracted before registration, or to pay or contribute to the payment of any sum for the adjustment of the rights of the members among themselves in respect of any such debt or liability; or to pay or contribute to the payment of the costs and expenses of winding up the company so far as relates to such debts or liabilities as aforesaid; and every contributory shall be liable to contribute to the assets of the company, in the course of the winding up, all sums due from him in respect of any such liability as aforesaid; and in the event of the death or insolvency of any contributory, the provisions of this Regulation with respect to the legal representatives and heirs of deceased contributories, and with reference to the assignees of insolvent contributories, shall apply;

(*iii*) the provisions of this Regulation with respect to—

(*a*) the registration of an unlimited company as limited;

(*b*) the powers of an unlimited company on registration as a limited company to increase the nominal amount of its share capital and

to provide that a portion of its share capital shall not be capable of being called up except in the event of winding up;

(c) the power of a limited company to determine that a portion of its share capital shall not be capable of being called up except in the event of winding up;

shall apply notwithstanding any provisions contained in any deed of settlement, contract of co-partnery or other instrument constituting or regulating the company;

(iv) nothing in this section shall authorise the company to alter any such provisions contained in any deed of settlement, contract of co-partnery or other instrument constituting or regulating the company, as would, if the company had originally been formed under this Regulation, have been required to be contained in the memorandum and are not authorised to be altered by this Regulation;

(v) nothing in this Regulation shall derogate from any lawful power of altering its constitutions or regulations which may, by virtue of any enactment at any time in force in Mysore, deed of settlement, contract of co-partnery, or other instrument constituting or regulating the company, be vested in the company.

Power to substitute memorandum and articles for deed of settlement.

267. (1) Subject to the provisions of this section, a company registered in pursuance of this Part may by special resolution alter the form of its constitution by substituting a memorandum and articles for a deed of settlement.

(2) The provisions of this Regulation with respect to confirmation by the Court and registration of an alteration of the objects of a company shall, so far as applicable, apply to an alteration under this section with the following modifications:—

(a) there shall be substituted for the printed copy of the altered memorandum required to be filed with the registrar, a printed copy of the substituted memorandum and articles; and

(b) on the registration of the alteration being certified by the registrar, the substituted memorandum and articles shall apply to the company in the same manner as if it were a company registered under this Regulation

with that memorandum and those articles, and the company's deed of settlement shall cease to apply to the company.

(3) An alteration under this section may be made either with or without any alteration of the objects of the company under this Regulation.

(4) In this section the expression "deed of settlement" includes any contract of co-partnery or other instrument constituting or regulating the company.

Power of Court to stay or restrain proceedings.

268. The provisions of this Regulation with respect to staying and restraining suits and legal proceedings against a company at any time after the presentation of a petition for winding up and before the making of a winding up order shall, in the case of a company registered in pursuance of this Part, where the application to stay or restrain is by a creditor, extend to suits and legal proceedings against any contributory of the company.

Suits stayed on winding up order.

269. Where an order has been made for winding up a company registered in pursuance of this Part no suit or other legal proceeding shall be commenced or proceeded with against the company or any contributory of the company in respect of any debt of the company, except by leave of the Court, and subject to such terms as the Court may impose.

PART IX.

Winding up of Unregistered Companies.

Meaning of "unregistered company."

270. For the purposes of this Part, the expression "unregistered company" shall not include a railway company incorporated by any enactment at any time in force in Mysore nor a company registered under the Indian Companies Act, 1866, or under the Mysore Companies Regulation, 1895, or under the Mysore Companies Regulation, 1917, or under this regulation but save as aforesaid, shall include any partnership, association or company consisting of more than seven members.

Winding up of unregistered companies.

271. (1) Subject to the provisions of this Part, any unregistered company may be wound up under this Regulation and all the provisions of this Regulation with respect to winding-up shall apply to an unregistered company, with the following exceptions and additions:—

(*i*) no unregistered company shall be wound up under this Regulation voluntarily or subject to supervision;

(*ii*) the circumstances in which an unregistered company may be wound up are as follows (that is to say) :—

(*a*) if the company is dissolved, or has ceased to carry on business or is carrying on business or only for the purpose of winding up its affairs ;

(*b*) if the company is unable to pay its debts ;

(*c*) if the Court is of opinion that it is just and equitable that the company should be wound up ;

(*iii*) an unregistered company shall, for the purposes of this Regulation, be deemed to be unable to pay its debts—

(*a*) if a creditor, by assignment or otherwise, to whom the company is indebted in a sum exceeding five hundred rupees then due, has served on the company by leaving at its principal place of business, or by delivering to the secretary, or some director, manager or principal officer of the company, or by otherwise serving in such manner as the Court may approve or direct, a demand under his hand requiring the company to pay the sum so due, and the company has for three weeks after the service of the demand neglected to pay the sum, or to secure or compound for it to the satisfaction of the creditor ;

(*b*) if any suit or other legal proceeding has been instituted against any member for any debt or demand due or claimed to be due, from the company or from him in his character of member, and notice in writing of the institution of the suit or other legal proceeding having been served on the company by leaving the same at its principal place of business or by delivering it to the secretary, or some director, manager or principal officer of the company or by otherwise serving the same in such manner as the Court may approve or direct, the company has not within ten days after service of the notice paid, secured or compounded for the debt or demand, or procured the suit or other legal proceeding to be stayed, or indemnified the

defendant to his reasonable satisfaction against the suit or other legal proceeding, and against all costs, damages and expenses to be incurred by him by reason of the same;

(c) if execution or other process issued on a decree or order obtained in any Court in favour of a creditor against the company, or any member thereof as such, or any person authorised to be used as nominal defendant on behalf of the company, is returned unsatisfied; and

(d) if it is otherwise proved to the satisfaction of the Court that the company is unable to pay its debts.

(2) Nothing in this Part shall affect the operation of any enactment which provides for any partnership, association or company being wound up, or being wound up as a company or as an unregistered company, under any enactment repealed by this Regulation, except that references in any such first-mentioned enactment to any such repealed enactment shall be read as references to the corresponding provision (if any) of this Regulation.

(3) Where a company incorporated outside Mysore, which has been carrying on business in Mysore ceases to carry on business in Mysore it may be wound up as an unregistered company under this Part, notwithstanding that it has been dissolved or otherwise ceased to exist as a company under or by virtue of the laws of the country under which it was incorporated.

Contributories in winding up of unregistered companies.

272. (1) In the event of an unregistered company being wound up, every person shall be deemed to be a contributory who is liable to pay or contribute to the payment of any debt or liability of the company, or to pay or contribute to the payment of any sum for the adjustment of the rights of the members among themselves, or to pay or contribute to the payment of the costs and expenses of winding up the company, and every contributory shall be liable to contribute to the assets of the company, all sums due from him in respect of any such liability as aforesaid.

(2) In the event of any contributory dying or being adjudged insolvent, the provisions of this Regulation with respect to the legal representatives and heirs of deceased

contributories and to the assignees of insolvent contributories shall apply.

Power to stay or restrain proceedings.

273. The provisions of this Regulation with respect to staying and restraining suits and legal proceedings against a company at any time after the presentation of a portion for winding up and before the making of a winding up order shall, in the case of an unregistered company, where the application to stay or restrain is by a creditor, extend to suits and legal proceedings against any contributory of the company.

Suits stayed on winding up order.

274. Where an order has been made for winding up an unregistered company, no suit or other legal proceeding shall be proceeded with or commenced against any contributory of the company in respect of any debt of the company, except by leave of the Court, and subject to such terms as the Court may impose.

Directions as to property in certain cases.

275. If an unregistered company has no power to sue and be sued in a common name, or if for any reason it appears expedient, the Court may by the winding up order, or by any subsequent order, direct that all or any part of the property, movable or immovable, including all interests and rights in, to and out of property, movable and immovable and including obligations and actionable claims as may belong to the company or to trustees on its behalf, is to vest in the official liquidator by his official name, and thereupon the property or the part thereof specified in the order shall vest accordingly; and the official liquidator may, after giving such indemnity (if any) as the Court may direct, bring or defend in his official name any suit or other legal proceeding relating to that property, or necessary to be brought or defended for the purposes of effectually winding up the company and recovering its property.

Provisions of this Part cumulative.

276. The provisions of this Part with respect to unregistered companies shall be in addition to, and not in restriction of, any provisions hereinbefore in this Regulation contained with respect to winding up companies by the Court, and the Court or official liquidator may exercise any powers or do any act in the case of unregistered companies which might be exercised or done by it or him in winding up companies formed and registered under this Regulation, but an unregistered company shall not, except in the event of its being wound up, be deemed to be a company under this Regulation, and then only to the extent provided by this Part.

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PART X.

Companies established outside Mysore.

Requirements as to companies established outside Mysore.

277. (1) Every company incorporated outside Mysore, which at the commencement of this Regulation has a place of business in Mysore, and every such company which after the commencement of this Regulation establishes such a place of business within Mysore, shall, within six months from the commencement of this Regulation or within one month from the establishment of such place of business, as the case may be, file with the registrar—

(*a*) a certified copy of the charter, statutes or memorandum and articles of the company, or other instrument consisting or defining the constitution of the company, and, if the instrument is not written in the English language, a certified translation thereof;

(*b*) the full address of the registered or principal office of the company;

(*c*) a list of the directors and managers (if any) of the company;

(*d*) the names and addresses of some one or more persons resident in Mysore authorised to accept on behalf of the company service of process and any notices required to be served on the company;

and, in the event of any alteration being made in any such instrument or in such address or in the directors or managers or in the names or addresses of any such persons as aforesaid, the company shall within the prescribed time, file with the registrar a notice of the alteration.

(2) Any process or notice required to be served on the company shall be sufficiently served, if addressed to any person whose name has been so filed as aforesaid and left at or sent by post to the address which has been so filed.

(3) Every company to which this section applies shall in every year file with the registrar—

(*i*) in a case where by the law, for the time being in force, of the country in which the company is incorporated such company is required to file with the public authority an annual balance

sheet,—a copy of that balance sheet and if the balance sheet does not contain all the information provided for in the form marked H in the Third Schedule, such supplementary statements as shall furnish such information; or

(*ii*) in a case where no such provision is made by the law, for the time being in force, of the country in which the company is incorporated, —such a statement in the form of a balance sheet as such company would, if it were a company formed and registered under this Regulation, be required to file in accordance with the provisions of this Regulation;

(4) Every company to which this section applies and which uses the word "Limited" as part of its name, shall,—

(*a*) in every prospectus inviting subscriptions for its share or debentures in Mysore, state the country in which the company is incorporated: and

(*b*) conspicuously exhibit on every place where it carries on business in Mysore, the name of the company and the country in which the company is incorporated in letters easily legible in English or Kannada characters, and

(*c*) have the name of the company and of the country in which the company is incorporated mentioned in legible English or Kannada characters in all bill-heads and letter paper and in all notices, advertisements and other official publications of the company.

(5) Every company to which this section applies shall if the liability of the members of the company is limited cause notice of that fact to be stated in legible characters in every prospectus inviting subscriptions for its shares, and in all bill heads and letter paper, notices, advertisements and other official publications of the company in Mysore, and to be affixed on every place where it carries on business.

(6) If any company to which this section applies fails to comply with any of the requirements of this section, the company, and every officer or agent of the company, shall be liable to a fine not exceeding five hundred

rupees or, in the case of a continuing offence, fifty rupees for every day during which the default continues.

(7) For the purposes of this section—

(*a*) the expression "certified" means certified in the prescribed manner to be a true copy or a correct translation;

(*b*) the expression "place of business" includes a share transfer or share registration office;

(*c*) the expression "director" includes any person occupying the position of director, by whatever name called; and

(*d*) the expression "prospectus" means any prospectus, notice, circular, advertisement or other invitation, offering to the public for subscription or purchase any shares or debentures of the company.

(8) There shall be paid to the registrar for registering any document required by this section to be filed with him a fee of five rupees or such smaller fee as may be prescribed.

Restriction on sale and offer for sale of shares.

277 A. (1) It shall not be lawful for any person—

(*a*) to issue, circulate or distribute in Mysore any prospectus offering for subscription shares in or debentures of a company incorporated or to be incorporated outside Mysore whether the company has or has not established, or when formed will or will not establish, a place of business in Mysore, unless—

(*i*) before the issue, circulation or distribution of the prospectus in Mysore a copy thereof, certified by the chairman and two other directors of the company as having been approved by resolution of the managing body, has been delivered for registration to the registrar;

(*ii*) the prospectus states on the face of it that the copy has been so delivered;

(*iii*) the prospectus is dated; and

(*iv*) the prospectus otherwise complies with this Part; or

(*b*) to issue to any person in Mysore a form of application for shares in or debentures of such a company or intended company as aforesaid, unless the form is issued with a prospectus which complies with this Part:

Provided that this provision shall not apply if it is shown that the form of application was issued in connection with a *bona fide* invitation to a person to enter into an underwriting agreement with respect to the shares or debentures.

(2) This section shall not apply to the issue to existing members or debenture holders of a company of a prospectus or form of application relating to shares in or debentures of the company, whether an applicant for shares or debentures will or will not have the right to renounce in favour of other persons, but, subject as aforesaid, this section shall apply to a prospectus or form of application whether issued on or with reference to the formation of a company or subsequently.

(3) Where any document by which any shares in or debentures of a company incorporated outside Mysore are offered for sale to the public would, if the company concerned had been a company within the meaning of this Regulation, have been deemed by virtue of section 98A to be a prospectus issued by the company, that document shall be deemed to be, for the purposes of this section, a prospectus issued by the company.

(4) An offer of shares or debentures for subscription or sale to any person whose ordinary business or part of whose ordinary business it is to buy or sell shares or debentures, whether as principal or agent, shall not be deemed an offer to the public for the purposes of this section.

(5) Any person who is knowingly responsible for the issue, circulation or distribution of any prospectus, or for the issue of a form of application for shares or debentures, in contravention of the provision of this section shall be liable to a fine not exceeding five thousand rupees.

(6) In this section and in section 277 B, the expressions 'prospectus,' 'shares' and 'debentures' have the same meanings as when used in relation to a company incorporated under this Regulation.

Requirements as to prospectus.

277 B. (1) In order to comply with this Part a prospectus, in addition to complying with the provisions of sub-clauses (*ii*) and (*iii*) of clause (*a*) of sub-section (1) of section 277 A, must—

(*a*) contain particulars with respect to the following matters:—

(*i*) the objects of the company;

(*ii*) the instrument constituting or defining the constitution of the company;

(*iii*) the enactments or provisions having the force of an enactment, by or under which the incorporation of the company was effected;

(*iv*) an address in Mysore where the said instrument, enactments or provisions, or copies thereof, and if the same are in a foreign language a translation thereof in the English language certified in the prescribed manner, can be inspected;

(*v*) the date on which and the country in which the company was incorporated;

(*vi*) whether the company has established a place of business in Mysore and, if so, the address of its principal office in Mysore:

Provided that the provisions of sub-clauses (*i*), (*ii*) and (*iii*) of this clause shall not apply in the case of a prospectus issued more than two years after the date at which the company is entitled to commence business:

(*b*) subject to the provisions of this section, state the matters specified in sub-section (1-A) of section 93 and set out the reports specified in that section:

Provided that—

(*i*) where any prospectus is published as a newspaper advertisement, it shall be a sufficient compliance with the requirement that the prospectus must specify the objects of the company if the advertisement specifies the primary object with which the company was formed, and

(*ii*) in section 93 of this Regulation, a reference to the articles of the company shall be deemed to be a reference to the constitution of the company.

(2) Any condition requiring or binding any applicant for shares or debentures to waive compliance with any requirement of this section, or purporting to affect him with notice of any contract, document, or matter not specifically referred to in the prospectus, shall be void.

(3) In the event of non-compliance with or contravention of any of the requirements of this section, a director or other person responsible for the prospectus

shall not incur any liability by reason of the non-compliance or contravention, if—

(a) as regards any matter not disclosed, he proves that he was not cognisant there of; or

(b) he proves that the non-compliance or contravention arose from an honest mistake of fact on his part, or

(c) the non-compliance or contravention was in respect of matters which, in the opinion of the Court dealing with the case, were immaterial or were otherwise such as ought, in the opinion of that Court, having regard to all the circumstances of the case, reasonably to be excused:

Provided that in the event of failure to include in a prospectus a statement with respect to the matters specified in clause (n) of sub-section (1) of section 93, no director or other person shall incur any liability in respect of the failure unless it be proved that he had knowledge of the matters not disclosed.

(4) Nothing in this section shall limit or diminish any liability which any person may incur under the general law or this Regulation apart from this section.

Restriction on canvassing for sale of shares.

277-C. (1) It shall not be lawful for any person to go from house to house offering shares of a company incorporated outside Mysore for subscription or purchase to the public or any member of the public.

(2) In this sub-section the expression 'house' shall not include an office used for business purposes.

(3) Any person acting in contravention of this section shall be liable to a fine not exceeding rupees one hundred.

Registration of charges.

277-D. The provisions of sections 109 to 117, both inclusive, and 120 to 125, both inclusive, shall extend to charges on properties in Mysore which are created and to charges on property in Mysore which is acquired after the commencement of this Regulation, by a company incorporated outside Mysore which has an established place of business in Mysore.

Notice of appointment of Receiver.

277-E. The provisions of sections 118 and 119 shall *mutatis mutandis* apply to the case of all companies incorporated outside Mysore but having an established place of business in Mysore and the provisions of section 130 shall apply to such companies to the extent of requiring

them to keep at their principal place of business in Mysore the books of account required by that section with respect to money received and expended, sales and purchases made, and assets and liabilities in relation to its business in Mysore.

PART XA.

BANKING COMPANIES.

Definition of banking company.

277-F. A 'banking company' means a company which carries on as its principal business the accepting of deposits of money on current account or otherwise, subject to withdrawal by cheque, draft or order, notwithstanding that it engages in addition in any one or more of the following forms of business, namely:—

(1) the borrowing, raising or taking up of money; the lending or advancing of money either upon or without security; the drawing, making, accepting, discounting, buying, selling, collecting and dealing in bills of exchange, hoondees, promissory notes, coupons, drafts, bills of lading, railway receipts, warrants, debentures, certificates, scrips and other instruments, and securities whether transferable or negotiable or not; the granting and issuing of letters of credit, travellers' cheques and circular notes; the buying, selling and dealing in bullion and specie; the buying and selling of foreign exchange including foreign bank notes; the acquiring, holding, issuing on commission, underwriting and dealing in stock, funds, shares, debentures, debenture stock, bonds, obligations, securities and investments of all kinds; the purchasing and selling of bonds, scrips or other forms of securities on behalf of constituents or others; the negotiating of loans and advances; the receiving of all kinds of bonds, scrips or valuables on deposit, or for safe custody or otherwise; the collecting and transmitting of money and securities;

(2) acting as agents for Governments or local authorities or for any other person or persons; the carrying on of agency business of any description other than the business of a managing agent of a company not being a banking company, including the power to act as attorneys and to give discharges and receipts;

(3) contracting for public and private loans and negotiating and issuing the same;

(4) the promoting, effecting, insuring, guaranteeing, underwriting, participating in managing and carrying out of any issue, public or private, of State, Municipal or other loans or of shares, stock, debentures, or debenture stock of any company, corporation or association and the lending of money for the purpose of any such issue;

(5) carrying on and transacting every kind of guarantee and indemnity business;

(6) promoting or financing or assisting in promoting or financing any business undertaking or industry, either existing or new, and developing or forming the same either through the instrumentality of syndicates or otherwise;

(7) acquisition by purchase, lease, exchange, hire or otherwise of any property immovable or movable and any rights or privileges which the company may think necessary or convenient to acquire or the acquisition or which in the opinion of the company is likely to facilitate the realisation of any securities held by the company or to prevent or diminish any apprehended loss or liability;

(8) managing, selling and realising all property movable and immovable which may come into the possession of the company in satisfaction or part satisfaction of any of its claims;

(9) acquiring and holding and generally dealing with any property and any right, title or interest in any property movable or immovable which may form part of the security for any loans or advance or which may be connected with any such security;

(10) undertaking and executing trusts;

(11) undertaking the administration of estates as executor, trustee or otherwise;

(12) taking or otherwise acquiring and holding shares in any other company having objects similar to those of the company;

(13) establishing and supporting or aiding in the establishment and support of associations, institutions, funds, trusts and conveniences calculated to benefit employees or ex-employees of the company or the dependents or connections of such persons; granting pensions and allowances and making payments towards insurance; subscribing to or guaranteeing moneys for charitable or benevolent objects or for any exhibition or for any public, general or useful object;

(14) the acquisition, construction, maintenance and alteration of any building or works necessary or convenient for the purposes of the company;

(15) selling, improving, managing, developing, exchanging, leasing, mortgaging, disposing of or turning into account or otherwise dealing with all or any part of the property and rights of the company;

(16) acquiring and undertaking the whole or any part of the business of any person or company, when such business is of a nature enumerated or described in this section;

(17) doing all such other things as are incidental or conducive to the promotion or advancement of the business of the company.

Limitation of activities of banking company.

277-G. (1) No company formed after the commencement of this Regulation, for the purpose of carrying on business as a banking company or which uses as part of the name under which it proposes to carry on business the word 'bank', 'banker' or 'banking' shall be registered under this Regulation unless the memorandum limits the objects of the company to the carrying on of the business of accepting deposits of money on current account or otherwise subject to withdrawal by cheque, draft or otherwise along with some or all of the forms of business specified in section 277-F.

(2) No banking company whether incorporated in or outside Mysore, shall after the expiry of two years from the commencement of the said Regulation carry on any form of business other than those specified in section 277:

Provided that the Government may, by notification in the Official *Gazette*, specify in addition to the businesses set forth in clauses (1) to (17) of section 277-F other forms of business which it may be lawful under this section for a banking company to engage in.

Banking company not to employ managing agent.

277-H. No banking company shall after the expiry of two years from the commencement of this Regulation, employ or be managed by a managing agent other than a banking company for the management of the company.

Restriction on commencement of business by banking company.

277-I. Notwithstanding anything contained in section 103, no banking company incorporated under this Regulation shall commence business, unless shares have been allotted to an amount sufficient to yield a sum of at least fifty thousand rupees as working capital and unless a declaration duly verified by an affidavit signed by the

directors and the manager that such a sum has been received by way of paid-up capital has been filed with the registrar.

Prohibition of charge on unpaid capital.

277-J. No banking company shall create any charge upon any unpaid capital of the company, and any such charge shall be invalid.

Reserve fund.

277-K. (1) Every banking company shall, after the commencement of this Regulation, maintain a reserve fund.

(2) Every banking company shall out of the declared profits of each year and before any dividend is declared transfer a sum equivalent to not less than twenty per cent of such profits to the reserve fund until the amount of the said fund is equal to the paid-up capital.

(3) A banking company shall invest the amount standing to the credit of its reserve fund in Government securities or keep deposited in a special account to be opened by the company for the purpose in any bank approved by the Government:

Provided that the provision of the sub-section shall not apply to a banking company incorporated before the commencement of the Mysore Companies Regulation, 193 , till after the expiry of two years from the commencement of the said Regulation.

Cash reserve

277-L. (1) Every banking company shall maintain by way of cash reserve in cash a sum equivalent to at least one and a half per cent of the time liabilities and five per cent of the demand liabilities of such company and shall file with the registrar before the tenth day of every month a statement of the amount so held on the Friday of each week of the preceding month with particulars of the time and demand liabilities of each such day.

(2) For the purposes of sub-section (1) 'demand liabilities' means liabilities which must be met on demand, and 'time liabilities' means liabilities which are not demand liabilities.

(3) If default is made in complying with the requirements of section 277-G, section 277-H, section 277-J, section 277-K or section 277-M or with the requirements of this section as to the maintenance of a cash reserve, every director or other officer of the company who is knowingly and wilfully a party to the default shall be liable to a fine not exceeding five hundred rupees for every day during which the default continues, and if

default is made in complying with the requirements of this section as to the filing of the statement referred to in sub-section (1), to a fine not exceeding one hundred rupees for every day during which the default continues.

Restriction on nature of subsidiary companies.

277-M. (1) A banking company shall not form any subsidiary company except a subsidiary company formed for the purpose of undertaking and executing trusts, undertaking the administration of estates as executor, trustee or otherwise and such other purposes set forth in section 277-F as are incidental to the business of accepting deposits of money on current account or otherwise.

(2) Save as provided in sub-section (1), a banking company shall not hold shares in any company of an amount exceeding fifty per cent of the issued share capital of that company; provided that nothing in this sub-section shall apply to shares held by a banking company before the commencement of this Regulation.

Power of Court to stay proceedings.

277-N. (1) The Court may on the application of a banking company which is temporarily unable to meet its obligations make an order staying the commencement or continuance of all actions and proceedings against the company for a fixed period of time on such terms and conditions as it shall think fit and proper and may from time to time extend the period.

(2) No such application shall be maintainable unless accompanied by a report of the registrar:

Provided, however, the Court may, for sufficient reasons, grant interim relief, even if the application is not accompanied by such report.

(3) The registrar shall for the purposes of his report be entitled at the cost of the company to investigate the financial condition of the company and for such purpose to have the books and documents of the company examined by an accountant holding a certificate issued under section 144.

PART XI.

Supplemental.

Legal Proceedings, Offences, etc.

Cognizance of offences.

278. (1) No Court inferior to that of a Magistrate of the first class shall try any offence against this Regulation.

(2) Notwithstanding anything in the Code of Criminal Procedure, 1904, every offence against this Regulation, shall, for the purposes of the said Code, be deemed to be non-cognizable.

Applications of fines.

279. The Court imposing any fine under this Regulation may direct that the whole or any part thereof be applied in or towards payment of the costs of the proceedings, or in or towards the rewarding of the person on whose information the fine is recovered.

Power to require limited company to give security for costs.

280. Where a limited company is plaintiff or petitioner in any suit or other legal proceeding, any Court having jurisdiction in the matter may, if it appears that there is reason to believe that the company will be unable to pay the costs of the defendant if successful in his defence, require sufficient security to be given for those costs, and may stay all proceedings until the security is given.

Power of Court to grant relief in certain cases.

281. (1) If in any proceeding for negligence, default, breach of duty or breach of trust against a person to whom this section applies, it appears to the Court hearing the case that that person is or may be liable in respect of the negligence, default, breach of duty or breach of trust, but that he has acted honestly and reasonably, and that having regard to all the circumstances of the case, including those connected with his appointment, he ought fairly to be excused for the negligence, default, breach of duty or breach of trust, that Court may relieve him, either wholly or partly, from his liability on such terms as the Court may think fit.

(2) Where any person to whom this section applies has reason to apprehend that any claim will or might be made against him in respect of any negligence, default, breach of duty or breach of trust, he may apply to the Court for relief, and the Court on any such application shall have the same power to relieve him as under this section it would have had if it had been a Court before which proceedings against that person for negligence, default, breach of duty or breach of trust had been brought.

(3) The persons to whom this section applies are the following:—

(*a*) directors of a company;
(*b*) managers and managing agents of a company;
(*c*) officers of a company;

(*d*) persons employed by a company as auditors, whether they are or are not officers of the company.

282. Whoever in any return, report, certificate, balance-sheet or other document, required by or for the purposes of any of the provisions of this Regulation, wilfully makes a statement false in any material particular, knowing it to be false, shall be punishable with imprisonment of either description for a term which may extend to three years, and shall also be liable to fine.

Penalty for false statement.

282-A. Any director, managing agent, manager or other officer or employee of a company who wrongfully obtains possession of any property of a company or having any such property in his possession wrongfully withholds it or wilfully applies it to purposes other than those expressed or directed in the articles and authorised by this Regulation, shall, on the complaint of the company or any creditor or contributory thereof, be punishable with fine not exceeding one thousand rupees and may be ordered by the Court trying the offence to deliver up or refund within a time to be fixed by the Court any such property improperly obtained or wrongfully withheld or wilfully misapplied or in default to suffer imprisonment for a period not exceeding two years.

Penalty for wrongful withholding of property.

282-B. (1) All moneys or securities deposited with a company by its employees in pursuance of their contracts of service with the company shall be kept or deposited by the company in a special account to be opened by the company for the purpose in a bank approved by the Government, and no portion thereof shall be utilised by the company except for the purposes agreed to in the contract of service.

Penalty for misapplication of securities by employers.

(2) Where a provident fund has been constituted by a company for its employees or any class of its employees, all moneys contributed to such fund (whether by the company or by the employees) or accruing by way of interest or otherwise to such fund after the commencement of this Regulation, shall be invested, and shall be invested only in securities of the Government of Mysore or in securities approved by them, and all moneys belonging to such fund at the commencement of this Regulation which are not so invested shall be invested in such securities by annual instalments not exceeding ten in number and not less in amount in any year than one-tenth of the whole amount of such moneys.

(3) Notwithstanding anything to the contrary in the rules of any fund to which sub-section (2) applies or in any contract between a company and its employees, no employee shall be entitled to receive in respect of such portion of the amount to his credit in such fund as is invested in accordance with the provisions of sub-section (2) interest at a rate exceeding the rate of interest yielded by such investment.

(4) An employee shall be entitled on request made in this behalf to the company to see the bank's receipt for any money or security such as is referred to in sub-section (1) and sub-section (2).

(5) Any director, managing agent, manager or other officer of the company who knowingly contravenes or permits or authorises the contravention of the provisions of this section shall be liable on conviction to a fine not exceeding five hundred rupees.

Penalty for improper use of word "Limited."

283. If any person or persons trade or carry on business under any name or title of which "Limited" is the last word, that person or those persons shall unless duly incorporated with limited liability, be liable to a fine not exceeding fifty rupees for every day upon which that name or title has been used.

Provisions for winding up for non-compliance with orders issued under section 11.

283-A. If any company required to alter or omit the words objected to under proviso to sub-section 3 of section 11, does not comply with such requisition, within the period of three months mentioned therein, it shall be liable to be wound up on a petition presented by the Government Advocate or any other officer duly authorised by the Government in this behalf, notwithstanding anything contained in section 166.

Saving of pending proceedings for winding up.

284. The provisions of this Regulation with respect to winding up shall not apply to any company of which the winding up has commenced before the commencement of this Regulation, but every such company shall be wound up in the same manner and with the same incidents as if this Regulation had not been passed, and, for the purpose of the winding up, the Mysore Companies Regulation, 1895, or the Mysore Companies Regulation, 1917, shall be deemed to remain in full force.

Saving of document.

285. Every instrument of transfer or other document made before the commencement of this Regulation in pursuance of any enactment hereby repealed, shall be of the same force as if this Regulation had not been

passed, and for the purposes of that instrument or document the repealed enactment shall be deemed to remain in full force.

286. (1) The offices existing at the commencement of this Regulation for registration of joint-stock companies shall be continued as if they had been established under this Regulation.

Former registration offices, registers, and registrars continued.

(2) Registers of companies kept in any such existing offices shall respectively be deemed part of the registers of companies to be kept under this Regulation.

(3) The existing registrars, assistant registrars and officers in those offices shall, during the pleasure of the Government, hold the offices hitherto held by them, subject to any rules of the Government with regard to the execution of their duties.

288. In sections 2 and 19 of Regulation III of 1904 (for the registration of Literary Scientific and Charitable Societies), the words "registrar of joint-stock companies" shall be construed to mean the registrar under this Regulation.

Construction of "registrar of joint-stock companies" in Regulation III of 1904.

290. (1) The enactment mentioned in the Fourth Schedule is hereby repealed to the extent specified in the fourth column thereof:

Repeal of Regulation and savings.

Provided that the repeal shall not affect—

(*a*) the incorporation of any company registered under any enactment hereby repealed; nor

(*c*) Table A in the First Schedule annexed to the Mysore Companies Regulation, 1895, or annexed to the Mysore Companies Regulation, 1917, or any part thereof, so far as the same applies to any company existing at the commencement of this Regulation.

(2) All fees directed, resolutions passed and other things duly done under any enactment hereby repealed, shall be deemed to have been directed, passed or done under this Regulation.

(3) The mention of particular matters in this section or in any other section of this Regulation shall not prejudice the general application of Section 6 of the General Clauses Regulation, 1899, with regard to the effect of repeals.

SCHEDULES. 191

THE FIRST SCHEDULE.

(*See sections 2, 17, 18, 79 and 266.*)

TABLE A.

Regulations for Management of a Company limited by Shares.

PRELIMINARY.

1. In these regulations, unless the context otherwise requires, expressions defined in the Mysore Companies Regulation, 193 , or any statutory modification thereof in force at the date at which these regulations become binding on the company, shall have the meanings so defined ; and words importing the singular shall include the plural, and *vice versa*, and words importing the masculine gender shall include females, and words importing persons shall include bodies corporate.

BUSINESS.

2. The directors shall have regard to the restrictions on the commencement of business imposed by section 103 of the Mysore Companies Regulation, 193 , if, and so far as, those restrictions are binding upon the company.

SHARES.

3. Subject to the provisions, if any, in that behalf, of the memorandum of association of the company, and without prejudice to any special rights previously conferred on the holders of existing shares in the company, any share in the company may be issued with such preferred, deferred or other special rights, or such restrictions, whether in regard to dividend, voting, return of share capital, or otherwise, as the company may from time to time by special resolution determine, and any preference share may with the sanction of a special resolution be issued on the terms that it is or at the option of the company is liable to be redeemed.

4. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may subject to the provisions of section 66A of the Mysore Companies Regulation, 193 , be varied with the consent in writing of the holders of three-fourths of the issued shares of

that class, or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the shares of the class. To every such separate general meeting the provisions of these regulations relating to general meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy, one-third of the issued shares of the class.

5. No share shall be offered to the public for subscription except upon the terms that the amount payable on application shall be at least 5 per cent of the nominal amount of the share; and the directors shall, as regards any allotment of shares, duly comply with such of the provisions of sections 101 and 104 of the Mysore Companies Regulation, 193 , as may be applicable thereto.

6. Every person whose name is entered as a member in the register of members shall, without payment, be entitled to a certificate under the common seal of the company specifying the share or shares held by him and the amount paid up thereon: Provided that in respect of a share or shares held jointly by several persons the company shall not be bound to issue more than one certificate and delivery of a certificate for a share to one of several joint-holders shall be sufficient delivery to all.

7. If a share certificate is defaced, lost or destroyed, it may be renewed on payment of such fee, if any, not exceeding eight annas, and on such terms, if any, as to evidence and indemnity as the directors think fit.

8. Except to the extent allowed by section 54A of the Mysore Companies Regulation, 193, no part of the funds of the company shall be employed in the purchase of, or in loans upon the security of, the company's shares.

LIEN.

9. The company shall have a lien on every share (not being a fully-paid share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of that share, and the company shall also have a lien on all shares (other than fully-paid shares) standing registered in the name of a single person, for all moneys presently payable by him or his estate to the company; but the directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause. The company's lien, if any, on a share shall extend to all dividends payable thereon.

10. The company may sell, in such manner as the director thinks fit, any shares on which the company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable, nor until the expiration of fourteen days after a notice in writing, stating, and demanding payment of such part of amount in respect of which the lien exists as is presently payable, has been given to the registered holder for

the time being of the share, or the person entitled by reason of his death or insolvency to the share.

11. The proceeds of the sale shall be applied in payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue shall (subject to a like lien for sums not presently payable as existed upon the shares prior to the sale) be paid to the person entitled to the shares at the date of the sale. The purchaser shall be registered as the holder of the shares, and he shall not be bound to see to the application of the purchase-money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

Calls on Shares.

12. The directors may from time to time make calls upon the members in respect of any moneys unpaid on their shares, provided that no call shall exceed one-fourth of the nominal amount of the share, or be payable at less than one month from the last call; and each member shall (subject to receiving at least fourteen days' notice specifying the time or times of payments) pay to the company at the time or times so specified the amount called on his shares.

13. The joint-holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

14. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest upon the sum at the rate of five per cent per annum from the day appointed for the payment thereof to the time of the actual payment; but the directors shall be at liberty to waive payment of that interest wholly or in part.

15. The provisions of these regulations as to payment of interest shall apply in the case of non-payment of any sum which, by the terms of the issue of a share, becomes payable at a fixed time, whether on account of the amount of the share, or by way of premium, as if the same had become payable by virtue of a call, duly made and notified.

16. The directors may make arrangements on the issue of shares for a difference between the holders in the amount of calls to be paid and in the times of payment.

17. The directors may, if they think fit, receive from any member willing to advance the same all or any part of the moneys uncalled and unpaid upon any shares held by him; and upon all or any of the moneys so advanced may (until the same would, but for such advance, become presently payable) pay interest at such rate (not exceeding, without the sanction of the company in general meeting, six per cent) as may be agreed upon between the member paying the sum in advance and the directors.

TRANSFER AND TRANSMISSION OF SHARES.

18. The instrument of transfer of any share in the company shall be executed both by the transferor and transferee, and the transferor shall be deemed to remain holder of the share until the name of the transferee is entered in the register of members in respect thereof.

19. Shares in the company shall be transferred in the following form, or in any usual or common form which the directors shall approve:

I, A B of in consideration of the sum of rupees paid to me by C D of (hereinafter called "the said transferee"), do hereby transfer to the said transferee the share [*or* shares] numbered in the undertaking called the Company, Limited, to hold unto the said transferee, his executors, administrators and assigns, subject to the several conditions on which I held the same at the time of the execution thereof, and I, the said transferee, do hereby agree to take the said share [*or* shares] subject to the conditions aforesaid. As witness our hands the day of

Witness to the signature of, etc.

20. The directors may decline to register any transfer of shares, not being fully-paid shares, to a person of whom they do not approve, and may also decline to register any transfer of shares on which the company has a lien. The directors may also suspend the registration of transfers during the fourteen days immediately preceding the ordinary general meeting in each year. The directors may decline to recognize any instrument of transfer unless—

(*a*) a fee not exceeding two rupees is paid to the company in respect thereof; and

(*b*) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer.

If the directors refuse to register a transfer of any shares, they shall within two months after the date on which the transfer was lodged with the company send to the transferee and the transferor notice of the refusal.

21. The executors or administrators of a deceased sole holder of a share shall be the only persons recognized by the company as having any title to the share. In the case of a share registered in the names of two or more holders, the survivors or survivor, or the executors or administrators of the deceased survivor, shall be the only persons recognized by the company as having any title to the share.

22. Any person becoming entitled to a share in consequence of the death or insolvency of a member shall, upon such evidence being produced as may from time to time be required

by the directors, have the right, either to be registered as a member in respect of the share or, instead of being registered himself, to make such transfer of the share as the deceased or insolvent person could have made; but the directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by the deceased or the insolvent person before the death or insolvency.

23. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company.

Forfeiture of Shares.

24. If a member fails to pay any call or instalment of a call on the day appointed for payment thereof, the director may, at any time thereafter during such time as any part of such call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.

25. The notice shall name a further day (not earlier than the expiration of fourteen days, from the date of the notice) on or before which the payment required by the notice is to be made, and shall state that, in the event of non-payment at or before the time appointed, the shares in respect of which the call was made will be liable to be forfeited.

26. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the directors to that effect.

27. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the directors think fit, and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the directors think fit.

28. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding, remain liable to pay to the company all moneys which, at the date of forfeiture, were presently payable by him to the company in respect of the shares, but his liability shall cease if and when the company received payment in full of the nominal amount of the shares.

29. A duly verified declaration in writing that the declarant is a director of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as

against all persons claiming to be entitled to the share, and that declaration, and the receipt of the company for the consideration, if any, given for the share on the sale or disposition thereof, shall constitute a good title to the share, and the person to whom the share is sold or disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the purchase-money (if any), nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

30. The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the amount of the share, or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

Conversion of Shares into Stock.

31. The directors may, with the sanction of the company previously given in general meeting, convert any paid-up shares into stock, and may with the like sanction re-convert any stock into paid-up shares of any denomination.

32. The holders of stock may transfer the same, or any part thereof, in the same manner, and subject to the same regulations, as, and subject to which, the shares from which the stock arose might previously to conversion have been transferred, or as near thereto as circumstances admit; but the directors may, from time to time, fix the minimum amount of stock transferable, and restrict or forbid the transfer of fractions of that minimum, but the minimum shall not exceed the nominal amount of the shares from which the stock arose.

33. The holders of stock shall, according to the amount of the stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the company) shall be conferred by any such aliquot part of stock as would not, if existing in shares, have conferred that privilege or advantage.

34. Such of the regulations of the company (other than those relating to share-warrants), as are applicable to paid-up shares shall apply to stock, and the words "share" and "shareholder" therein shall include "stock" and "stock-holder."

Share-warrants.

35. The company may issue share-warrants, and accordingly the directors may in their discretion, with respect to any share which is fully paid up, on application in writing signed by the person registered as holder of the share, and authenticated by such evidence (if any) as the directors may from time to

time require as to the identity of the person signing the request, and on receiving the certificate (if any) of the share, and the amount of the stamp-duty on the warrant and such fee as the directors may from time to time require, issue under the company's seal a warrant, duly stamped, stating that the bearer of the warrant is entitled to the shares therein specified, and may provide by coupons or otherwise for the payment of dividends, or other moneys and the shares included in the warrant.

36. A share-warrant shall entitle the bearer to the shares included in it and the share shall be transferred by the delivery of the share-warrant, and the provisions of the regulations of the company with respect to transfer and transmission of shares shall not apply thereto.

37. The bearer of a share-warrant shall, on surrender of the warrant to the company for cancellation, and on payment of such sum as the directors may from time to time prescribe, be entitled to have his name entered as a member in the register of members in respect of the shares included in the warrant.

38. The bearer of a share-warrant may at any time deposit the warrant at the office of the company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the company, and of attending and voting and exercising the other privileges of a member at any meeting, held after the expiration of two clear days from the time of deposit, as if his name were inserted in the register of members as the holder of the shares included in the deposited warrant. Not more than one person shall be recognised as depositor of the share-warrant. The company shall, on two days' written notice, return the deposited share-warrant to the depositor.

39. Subject as herein otherwise expressly provided, no person shall, as bearer of a share-warrant, sign a requisition for calling a meeting of the company, or attend, or vote or exercise any other privilege of a member at a meeting of the company, or be entitled to receive any notices from the company; but the bearer of a share-warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the register of members of the holders of the shares included in the warrant, and he shall be a member of the company.

40. The directors may from time to time make rules as to the terms on which (if they shall think fit) a new share-warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

Alteration of Capital.

41. The directors may, with the sanction of the company in general meeting, increase the share capital by such sum, to be divided into shares of such amount, as the resolution shall prescribe.

42. Subject to any direction to the contrary that may be given by the resolution sanctioning the increase of share capital, all new shares shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the directors may dispose of the same in such manner as they think most beneficial to the company. The directors may likewise so dispose of any new shares which by reason of the ratio which (the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the directors, be conveniently offered under this article.

43. The new shares shall be subject to the same provisions with reference to the payment of calls, lien, transfer, transmission, forfeiture and otherwise as the shares in the original share capital.

44. The company may, by ordinary resolution,—

(*a*) consolidate and divide its share capital into shares of larger amount than its existing shares;

(*b*) by sub-division of its existing shares or any of them, divide the whole or any part of its share capital into shares of smaller amount than is fixed by the memorandum of association, subject, nevertheless, to the provisions of paragraph (*d*) of sub-section (1) of section 50 of the Mysore Companies Regulation, 193 ;

(*c*) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

44A. The company may, by special resolution, reduce its share capital in any manner and with, and subject to any incident authorised, and consent required, by law.

General Meetings.

45. The statutory general meeting of the company shall be held within the period required by section 77 of the Mysore Companies Regulation, 193 .

46. A general meeting shall be held within eighteen months from the date of its incorporation and thereafter once at least in every year at such time (not being more than fifteen months after the holding of the last preceding general meeting) and place as may be prescribed by the company in general meeting, or, in default, at such time in the month following that in which the anniversary of the company's incorporation occurs,

and at such place as the directors shall appoint. In default of a general meeting being so held, a general meeting shall be held in the month next following, and may be called by any two members in the same manner as nearly as possible as that in which meetings are to be called by the directors.

47. The abovementioned general meetings shall be called ordinary meetings; all other general meetings shall be called extraordinary.

48. The directors may, whenever they think fit, call an extraordinary general meeting, and extraordinary general meetings shall also be called on such requisition, or in default, may be called by such requisitionists, as provided by section 78 of the Mysore Companies Regulation, 193 . If at any time there are not within Mysore sufficient directors capable of acting to form a quorum, any director or any two members of the company may call an extraordinary general meeting in the same manner as nearly as possible as that in which meetings may be called by the directors.

Proceedings at General Meeting.

49. Subject to the provisions of sub-section (2) of section 81 of the Mysore Companies Regulation, 193 , relating to special resolutions fourteen days' notice at the least (exclusive of the day on which the notice is served or deemed to be served, but inclusive of the day for which notice is given) specifying the place, the day and the hour of meeting and, in case of special business, the general nature of that business, shall be given in manner hereinafter mentioned, or in such other manner, if any, as may be prescribed by the company in general meeting, to such persons as are, under the Mysore Companies Regulation, 193 , or the regulations of the company, entitled to receive such notices from the company; but the accidental omission to give notice to or the non-receipt of notice by any member shall not invalidate the proceedings at any general meeting.

50. All business shall be deemed special that is transacted at an extraordinary meeting, and all that is transacted at an ordinary meeting with the exception of sanctioning a dividend, the consideration of the accounts, balance-sheets and the ordinary report of the directors and auditors, the election of directors and other officers in the place of those retiring by rotation, and the fixing of the remuneration of the auditors.

51. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business; save as herein otherwise provided, two members in the case of a private company and five members in the case of any other company personally present shall be a quorum.

52. If within half an hour from the time appointed for the meeting, a quorum is not present, the meeting, if called upon

the requisition of members, shall be dissolved; in any other case, it shall stand adjourned to the same day in the next week at the same time and place, and, if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the members present shall be a quorum.

53. The chairman, if any, of the board of directors shall preside as chairman at every general meeting of the company.

54. If there is no such chairman, or if at any meeting he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling, to act as chairman, the members present shall choose some one of their number to be chairman.

55. The chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for ten days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

56. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded in accordance with the provisions of clause (*c*) of sub-section (1) of section 79 of the Mysore Companies Regulation, 193 , and, unless a poll is so demanded, a declaration by the chairman that a resolution has, on a show of hands, been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book of the proceedings of the company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of, or against, that resolution.

57. If a poll is duly demanded, it shall be taken in such manner as the chairman directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

58. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place, or at which the poll is demanded, shall be entitled to a second or casting vote.

59. A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairman of the meeting directs.

Votes of Members.

60. On a show of hands, every member present in person shall have one vote. On a poll every member shall have one vote in respect of each share or each hundred rupees of stock held by him.

61. In the case of joint-holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint-holders; and for this purpose seniority shall be determined by the order in which the names stand in the register of members.

62. A member of unsound mind, or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.

63. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.

64. On a poll, votes may be given either personally or by proxy: Provided that no company shall vote by proxy as long as a resolution of its directors in accordance with the provisions of section 80 of the Mysore Companies Regulation, 193, is in force.

65. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or, if the appointor is a corporation, either under the common seal, or under the hand of an officer or attorney so authorised. No person shall act as a proxy unless he is a member of the company.

66. The instrument appointing a proxy and the power-of-attorney or other authority (if any), under which it is signed, or a notarially certified copy of that power or authority, shall be deposited at the registered office of the company not less than seventy-two hours before the time for holding the meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.

67. An instrument appointing a proxy may be in the following form or in any other form which the directors shall approve:—

Company, Limited.

"I of in the district of being a member of the Company, Limited, hereby appoint of as my proxy to vote for me and on my behalf at the [ordinary or extraordinary, as the case may be] general meeting of the company to be held on the day of and at any adjournment thereof."

Signed this day of

DIRECTORS.

68. The number of the directors and the names of the first directors shall be determined in writing by a majority of the subscribers of the memorandum of association.

69. The remuneration of the directors shall from time to time be determined by the company in general meeting.

70. The qualification of a director shall be the holding of at least one share in the company, and it shall be his duty to comply with the provisions of section 85 of the Mysore Companies Regulation, 193.

POWERS AND DUTIES OF DIRECTORS.

71. The business of the company shall be managed by the directors, who may pay all expenses incurred in getting up and registering the company, and may exercise all such powers of the company as are not by the Mysore Companies Regulation, 193, or any statutory modification thereof for the time being in force, or by these articles, required to be exercised by the company in general meeting, subject nevertheless to any regulation of these articles, to the provisions of the said Regulation, and to such regulations being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the company in general meeting; but no regulation made by the company in general meeting shall invalidate any prior act of the directors which would have been valid if that regulation had not been made.

72. The directors may from time to time appoint one or more of their body to the office of managing director or manager for such term, and at such remuneration (whether by way of salary, or commission, or participation in profits, or partly in one way and partly in another) as they may think fit, and a director so appointed shall not, while holding that office, be subject to retirement by rotation, or taken into account in determining the rotation of retirement of directors, but his appointment shall be subject to determination *ipso facto* if he ceases from any cause to be a director, or if the company in general meeting resolve that his tenure of the office of managing director or manager be determined.

73. The amount for the time being remaining undischarged of moneys borrowed or raised by the directors for the purposes of the company (otherwise than by the issue of share capital) shall not at any time exceed the issued share capital of the company without the sanction of the company in general meeting.

74. The directors shall duly comply with the provisions of the Mysore Companies Regulation, 193, or any statutory modification thereof for the time being in force, and in particular with the provision in regard to the registration of the particulars of mortgages and charges affecting the property of the company or created by it, and to keeping a register of the directors, and to

sending to the registrar an annual list of members, and a summary of particulars relating thereto and notice of any consolidation or increase of share capital, or conversion of shares into stock, and copies of special resolutions and a copy of the register of directors and notifications of any changes therein.

75. The directors shall cause minutes to be made in books provided for the purpose—

(*a*) of all appointments of officers made by the directors;

(*b*) of the names of the directors present at each meeting of the directors and of any committee of the directors;

(*c*) of all resolutions and proceedings at all meetings of the company, and, of the directors, and of committees of directors;

and every director present at any meeting of directors or committee of directors shall sign his name in a book to be kept for that purpose.

THE SEAL.

76. The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the board of directors, and in the presence of at least two directors and of the secretary or such other person as the directors may appoint for the purpose, and those two directors and secretary or other person as aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

DISQUALIFICATIONS OF DIRECTORS.

77. The office of director shall be vacated if the director—

(*a*) fails to obtain within the time specified in sub-section (1) of section 85 of the Mysore Companies Regulation, 193 , or at any time thereafter ceases to hold, the share qualification, if any, necessary for his appointment; or

(*b*) is found to be of unsound mind by a Court of competent jurisdiction; or

(*c*) is adjudged insolvent; or

(*d*) fails to pay calls made on him in respect of shares held by him within six months from the date of such calls being made; or

(*e*) without the sanction of the company in general meeting accepts or holds any office of profit under the company other than that of a managing director or manager or a legal or technical adviser or banker; or

(*f*) absents himself from three consecutive meetings of the directors or from all meetings of the directors for a continuous period of three months, whichever is longer, without leave of absence from the board of directors; or

(*g*) accepts a loan from the company; or

(*h*) is concerned or participates in the profits of any contract with the company; or

(*i*) is punished with imprisonment for a term exceeding six months:

Provided, however, that no director shall vacate his office by reason of his being a member of any company which has entered into contracts with, or done any work for, the company of which he is director, but a director shall not vote in respect of any such contract or work, and if he does so vote, his vote shall not be counted.

ROTATION OF DIRECTORS.

78. At the first ordinary meeting of the company, the whole of the directors shall retire from office, and at the ordinary meeting in every subsequent year, one-third of the directors for the time being or, if their number is not three or a multiple of three, then the number nearest to one-third shall retire from office.

79. The directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who became directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

80. A retiring director shall be eligible for re-election.

81. The company at the general meeting at which a director retires in manner aforesaid may fill up the vacated office by electing a person thereto.

82. If at any meeting at which an election of directors ought to take place, the places of the vacating directors are not filled up, the meeting shall stand adjourned till the same day in the next week at the same time and place, and, if at the adjourned meeting the places of the vacating directors are not filled up, the vacating directors or such of them as have not had their places filled up shall be deemed to have been re-elected at the adjourned meeting.

83. Subject to the provisions of sections 83A and 83B of Mysore Companies Regulation, 193, the company may from time to time in general meeting increase or reduce the number of directors, and may also determine in what rotation the increased or reduced number is to go out of office.

84. Any casual vacancy occurring on the board of directors may be filled up by the directors, but the person so chosen shall be subject to retirement at the same time as if he had become a director on the day on which the director in whose place he is appointed was last elected a director.

85. The directors shall have power at any time, and from time to time, to appoint a person as an additional director, who shall retire from office at the next following ordinary general meeting, but shall be eligible for election by the company at that meeting as an additional director.

86. The company may by extraordinary resolution remove any director before the expiration of his period of office, and

may by an ordinary resolution appoint another person in his stead; the person so appointed shall be subject to retirement at the same time as if he had become a director on the day on which the director in whose place he is appointed was last elected a director.

PROCEEDINGS OF DIRECTORS.

87. The directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings, as they think fit. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes, the chairman shall have a second or casting vote. A director may, and the secretary on the requisition of a director shall, at any time, summon a meeting of directors.

88. The quorum necessary for the transaction of the business of the directors may be fixed by the directors, and unless so fixed shall (when the number of directors exceeds three) be three.

89. The continuing directors may act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below the number fixed by or pursuant to the regulations of the company as the necessary quorum of directors, the continuing directors may act for the purpose of increasing the number of directors to that number, or of summoning a general meeting of the company, but for no other purpose.

90. The directors may elect a chairman of their meetings and dermine the period for which he is to hold office; but if no such chairman is elected, or if at any meeting the chairman is not present within five minutes after the time appointed for holding the same, the directors present may choose one of their number to be chairman of the meeting.

91. The directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit; any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on them by the directors.

92. A committee may elect a chairman of their meetings; if no such chairman is elected, or if at any meeting the chairman is not present within five minutes after the time appointed for holding the same, the members present may choose one of their number to be chairman of the meeting.

93. A committee may meet and adjourn as they think proper. Questions arising at any meeting shall be determined by a majority of votes of the members present, and in case of an equality of votes, the chairman shall have a second or casting vote.

94. All acts done by any meeting of the directors or of a committee of directors, or by any person acting as a director, shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such directors or persons

acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a director.

Dividends and Reserve.

95. The company in general meeting may declare dividends, but no dividends shall exceed the amount recommended by the directors.

96. The directors may from time to time pay to the members such interim dividends as appear to the directors to be justified by the profits of the company.

97. No dividends shall be paid otherwise than out of profits of the year or any other undistributed profits.

98. Subject to the rights of persons (if any) entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid on the shares, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares. No amount paid on a share in advance of calls shall, while carrying interest, be treated for the purposes of this article as paid on the share.

99. The directors may, before recommending any dividend, set aside out of the profits of the company such sums as they think proper as a reserve or reserves which shall, at the discretion of the directors, be applicable for meeting contingencies, or for equalizing dividends, or for any other purpose to which the profits of the company may be properly applied, and pending such application may, at the like discretion, either be employed in the business of the company or be inveted in such investments (other than shares of the company) as the directors may from time to time think fit.

100. If several persons are registered as joint-holders of any share, any one of them may give effectual receipts for any dividend payable on the share.

101. Notice of any dividend that may have been declared shall be given in manner hereinafter mentioned to the persons entitled to share therein.

102. No dividend shall bear interest against the company.

Accounts.

103. The directors shall cause to be kept proper books of account with respect to—

(*a*) all sums of money received and expended by the company and the matters in respect of which the receipts and expenditure take place;

(*b*) all sales and purchases of goods by the company;

(*c*) the assets and liabilities of the company.

104. The books of account shall be kept at the registered office of the company or at such other place as the directors shall think fit and shall be open to inspection by the directors during business hours.

105. The directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the company or any of them shall be open to the inspection of members not being directors, and no member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the directors or by the company in general meeting.

106. The directors shall as required by sections 131 and 131A of the Mysore Companies Regulation, 193 , cause to be prepared and to be laid before the company in general meeting such profit and loss accounts, income and expenditure accounts, balance sheets, and reports as are referred to in those sections.

107. The profit and loss account shall in addition to the matters referred to in sub-section (3) of section 132 of the Mysore Companies Regulation, 193 , show, arranged under the most convenient heads, the amount of gross income, distinguishing the several sources from which it has been derived, and the amount of gross expenditure, distinguishing the expenses of the establishment, salaries and other like matters. Every item of expenditure fairly chargeable against the year's income shall be brought into account, so that a just balance of profit and loss may be laid before the meeting, and, in cases where any item of expenditure which may in fairness be distributed over several years has been incurred in any one year, the whole amount of such item shall be stated, with the addition of the reasons why only a portion of such expenditure is charged against the income of the year.

108. A balance-sheet shall be made out in every year and laid before the company in general meeting made up to a date not more than six months before such meeting. The balance-sheet shall be accompanied by a report of the directors as to the state of the company's affairs, and the amount which they recommend to be paid by way of dividend, and the amount (if any) which they propose to carry to a reserve fund.

109. A copy of the balance-sheet and report shall, fourteen days previously to the meeting, be sent to the persons entitled to receive notices of general meetings in the manner in which notices are to be given hereunder.

110. The directors shall in all respects comply with the provisions of sections 130 to 135 of the Mysore Companies Regulation, 193 , or any statutory modification thereof for the time being in force.

AUDIT.

111. Auditors shall be appointed and their duties regulated in accordance with sections 144 and 145 of the Mysore

Companies Regulation, 193 , or any statutory modification thereof for the time being in force.

NOTICES.

112. (1) A notice may be given by the company to any member either personally or by sending it by post to him to his registered address, or (if he has no registered address in Mysore) to the address, if any, within Mysore supplied by him to the company for the giving of notices to him.

(2) Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the notice and, unless the contrary is proved, to have been effected at the time at which the letter would be delivered in the ordinary course of post.

113. If a member has no registered address in Mysore, and has not supplied to the company an address within Mysore for the giving of notices to him, a notice addressed to him and advertised in a newspaper circulating in the neighbourhood of the registered office of the company shall be deemed to be duly given to him on the day on which the advertisement appears.

114. A notice may be given by the company to the joint-holders of a share by giving the notice to the joint-holder named first in the register in respect of the share.

115. A notice may be given by the company to the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name, or by the title of representatives of the deceased, or assignee of the insolvent or by any like description, at the address (if any) in Mysore supplied for the purpose by the persons claiming to be so entitled, or (until such an address has been so supplied) by giving the notice in any manner in which the same might have been given if the death or insolvency had not occurred.

116. Notice of every general meeting shall be given in some manner hereinbefore authorised to (*a*) every member of the company (including bearers of share-warrants) except those members who (having no registered address within Mysore) have not supplied to the company an address within Mysore for the giving of notices to them, and also to (*b*) every person entitled to a share in consequence of the death or insolvency of a member, who, but for his death or insolvency, would be entitled to receive notice of the meeting. No other persons shall be entitled to receive notices of general meetings.

TABLE B.

(See sections 249 and 262.)

Table of Fees to be paid to the Registrar.

I—By a Company having a share capital.

		Rs.	a.	p.
1.	For registration of a company whose nominal share capital does not exceed Rs. 20,000, a fee of ...	40	0	0
2.	For registration of a company whose nominal share capital exceeds Rs. 20,000, the above fee of forty rupees, with the following additional fees regulated according to the amount of nominal capital (that is to say)—			
	For every 10,000 rupees of nominal share capital, or part of 10,000 rupees, after the first 20,000 rupees up to 50,000 rupees ...	20	0	0
	For every 10,000 rupees of nominal share capital, or part of 10,000 rupees, after the first 50,000 rupees up to 10,00,000 rupees ...	5	0	0
	For every 10,000 rupees of nominal share capital, or part of 10,000 rupees, after the first 10,00,000 rupees	1	0	0
3.	For registration of any increase of share capital made after the first registration of the company, the same fees per 10,000 rupees or part of 10,000 rupees as would have been payable if such increased share capital had formed part of the original share capital at the time of registration.			
	Provided that no company shall be liable to pay in respect of nominal share capital on registration or afterwards, any greater amount of fees than 1,000 rupees taking into account in the case of fees payable on an increase of share capital after registration, the fees paid on registration.			
4.	For registration of any existing company, except such companies as are by this Regulation exempted from payment of fees in respect of registration under this Regulation, the same fees as is charged for registering a new company.			
5.	For filing, returns of allotments prescribed by section 104 of the Regulation in cases in which the aggregate paid-up value of the shares allotted does not exceed Rs. 100, one per cent on the paid up value of the shares allotted; in cases in which the paid up value exceeds Rs. 100, three rupees.			
	For filing any other document required or authorised by the Regulation or Rules made thereunder other than the Memorandum or the abstract required to be filed with the Registrar by a receiver or the statement required to be filed with the Registrar by the liquidator in a winding-up, three rupees. ...			

		Rs.	a.	p.
6.	For making a record of any fact by this Regulation authorised or required to be recorded by the Registrar, a fee of	5	0	0

II—By a company not having a share capital.

1.	For registration of a company whose number of members, as stated in the articles of the association, does not exceed 20	40	0	0
2.	For registration of a company whose number of members, as stated in the articles of association, exceeds 20, but does not exceed 100 ...	100	0	0
3.	For registration of a company whose number of members, as stated in the articles of association, exceeds 100, but is not stated to be unlimited, the above fee of Rs. 100 with an additional Rs. 5 for every 50 members or less number than 50 members after the first 100.			
4.	For registration of a company in which the number of members is stated in the articles of association to be unlimited, a fee of	400	0	0
5.	For registration of any increase on the number of members made after the registration of the company, the same fees as would have been payable if such increase had been stated in the articles of association at the time of registration ...	5	0	0
	Provided that no one company shall be liable to pay on the whole a greater fee than Rs 400 in respect of its number of members, taking into account the fee paid on the first registration of the company.			
6.	For registration of any existing company except such companies as are by this Regulation exempted from payment of fees in respect of registration under this Regulation, the same fee as is charged for registering a new company.			
7.	For filing returns of allotments prescribed by section 104 of the Regulation in cases in which the aggregate paid up value of the shares allotted does not exceed Rs. 100, one per cent on the paid up value of the shares allotted; in cases in which the paid up value exceeds Rs. 100, three rupees.			
	For filing any other document required or authorised by the Regulation or Rules made thereunder other than the Memorandum or the abstract required to be filed with the Registrar by a receiver or the statement required to be filed with the Registrar by the liquidator in a winding-up, three rupees.			
8.	For making a record of any fact by this Regulation authorised or required to be recorded by the Registrar, a fee of	5	0	0

THE SECOND SCHEDULE.

(See sections 98 and 154).

FORM I.

The Mysore Companies Regulation, 193 .

STATEMENT IN LIEU OF PROSPECTUS.

filed by

.....LIMITED,

pursuant to section 98 of the Mysore Companies Regulation 193 .

Presented for filing by

The nominal share capital of the company.	Rs. .....
Divided into	shares of Rs..... each. shares of Rs..... each. shares of Rs..... each.
Amount (if any) of above capital which consists of redeemable preference shares.	shares of Rs..... each.
The date on or before which these shares are, or are liable, to be redeemed.	
Names, descriptions and addresses of directors or proposed directors and managers or proposed managers, and any provision in the articles, or in any contract, as to appointment of and remuneration payable to directors or managers.	

If the share capital of the company is divided into different classes of shares, the right of voting at meetings of the company conferred by, and the rights in respect of capital and dividends attached to, the several classes of shares respectively.	
Number and amount of shares and debentures agreed to be issued as fully or partly paid up otherwise than in cash.	1. ——shares of Rs..... fully paid. 2. ——shares upon which Rs.....per share credited as paid. 3. Debenture Rs..... 4. Consideration.
Names and addresses of vendors of property purchased or acquired, or proposed to be purchased or acquired by the company. Amount (in cash, shares or debentures) payable to each separate vendor.	
Amount (if any) paid or payable (in cash or shares or debentures) for any such property, specifying amount (if any) paid or payable for goodwill.	Total purchase price ... Rs. ..... Cash ... Rs. ..... Shares ... Rs. ..... Debentures ... Rs. ..... Goodwill ... Rs. .....
Amount (if any) paid or payable as commission for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares or debentures in the company ; or	Amount paid. Amount payable.
Rate of the commission.....	Rate per cent.
The number of shares, if any, which persons have agreed for a commission to subscribe absolutely.	

Estimated amount of preliminary expenses.	Rs.....
Amount paid or intended to be paid to any promoter. Consideration for the payment.	Name of promoter..... Amount Rs..... Consideration :—
Dates of, and parties to every material contract (except contracts entered into in the ordinary course of the business intended to be carried on by the company or contracts, other than contracts appointing or fixing the remuneration of a managing director or managing agent, entered into more than two years before the delivery of this statement).	
Time and place at which the contracts or copies thereof may be inspected.	
Names and addresses of the auditors of the company (if any).	
Full particulars of the nature and extent of the interest of every director in the promotion of or in the property proposed to be acquired by the company, or, where the interest of such a director consists in being a partner in a firm, the nature and extent of the interest of the firm, with a statement of all sums paid or agreed to be paid to him or to the firm in cash or shares, or otherwise, by any person either to induce him to become, or to qualify him as, a director, or otherwise for services rendered by him or by the firm in connection with the promotion or formation of the company.	

If it is proposed to acquire any business, the amount, as certified by the persons by whom the accounts of the business have been audited, of the net profits of the business in respect of each of the three financial years immediately preceding the date of this statement provided that in the case of a business which has been carried on for less than three years and the accounts of which have only been made up in respect of two years or one year the above requirement shall have effect as if references to two years or one year, as the case may be, were substituted for references te three years, and in any such case the statement shall say how long the business to be acquired has been carried on.	
Signatures of the persons above-named as directors or proposed directors, or of their agents authorised (in writing).	
Date	

FORM II.

The Mysore Companies Regulation, 193 .

STATEMENT IN LIEU OF PROSPECTUS

filed by

.....LIMITED,

pursuant to sub-section (1) of section 154 of the Mysore Companies Regulation, 193 .

Presented for filing by

The nominal share capital of the Company.	Rs. ....
Divided into	Shares of Rs. ..... each. Shares of Rs. ..... each. Shares of Rs. ..... each.
Amount (if any) of above capital which consists of redeemable preference shares.	Shares of Rs. ..... each.
The date on or before which these shares are, or are liable, to be redeemed.	
Names, descriptions and addresses of Directors or proposed Directors and Managers or proposed Managers, and any provision in the Articles, or in any contract, as to appointment of and remuneration payable to Directors or Managers.	
If the share capital of the Company is divided into different classes of shares, the right of voting at meetings of the Company conferred by and the rights in respect of capital and dividends attached to, the several classes of shares respectively.	
Number and amount of shares and debentures issued within the two years preceding the date of this statement as fully or partly paid up otherwise than for cash or agreed to be so issued at the date of this statement.	1. Shares of Rs. fully paid. 2. Shares upon which Rs. ..... per share credited as paid. 3. Debenture Rs. 4. Consideration.

Names and addresses of vendors of property (1) purchased or acquired by the Company within the two years preceding the date of this Statement or (2) agreed or proposed to be purchased or acquired by the Company.	
Amount (in cash, shares or debentures) payable to each separate vendor.	
Amount (if any) paid or payable (in cash or shares or debentures) for any such property specifying amount (if any) paid or payable for goodwill.	Total purchase price ... Rs..... Cash ... Rs..... Shares ... Rs..... Debentures Rs..... Goodwill... Rs.....
Amount (if any) paid or payable as commission for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares or debentures in the Company; or rate of the commission.	Amount paid. Amount payable. Rate per cent.
The number of shares, if any, which persons have agreed for a commission to subscribe absolutely.	
Unless more than two years have elapsed since the date on which the Company was entitled to commence business :— Estimated amount of preliminary expenses. Amount paid or intended to be paid to any promoter. Consideration for the payment.	Rs. Name of promoter. Amount Rs. Consideration.
Dates of, and parties to every material contract (except contracts entered into in the ordinary course of the business intended to be carried on by the Company or contracts, other than contracts appointing or fixing the remuneration of a Managing Director or Managing Agent, entered into more than two years before the delivery of this statement).	

Times and place at which the contracts or copies thereof may be inspected.	
Names and addresses of the Auditors of the Company.	
Full particulars of the nature and extent of the interest of every Director in the promotion of or in the property purchased or acquired by the Company within the two years preceding the date of this statement or proposed to be acquired by the Company or where the interest of such a Director consists in being a partner in a firm, the nature and extent of the interest of the firm, with a statement of all sums paid or agreed to be paid to him or to the firm in cash or shares, or otherwise, by any person either to induce him to become, or to qualify him as, a Director, or otherwise for services rendered by him or by the firm in connection with the promotion of the formation of the Company.	
If it is proposed to acquire any business, the amount, as certified by the persons by whom the accounts of the business have been audited, of the net profits of the business in respect of each of the three financial years immediately preceding the date of this statement provided that in the case of a business which has been carried on for less than three years and the accounts of which have only been made up in respect of two years or one year the above requirement shall have effect as if references to two years or one year, as the case may be, were substituted for references to three years, and in any such case the statement shall say how long the business to be acquired has been carried on.	
(Signatures of the persons abovenamed as Directors or proposed Directors or of their agents authorised in writing.)	

Dated the *day of* ,,

THE THIRD SCHEDULE.

FORM A.

(See sections 6 and 151.)

Memorandum of Association of a Company Limited by Shares.

1st.—The name of the company is "The Eastern Steam Packet Company, Ltd."

2nd.—The registered office of the company will be situate in the province of Bombay.

3rd.—The objects for which the company is established are "the conveyance of passengers and goods in ships or boats between such places as the company may from time to time determine, and the doing all such other things as are incidental or conducive to the attainment of the above object."

4th.—The liability of the members is limited.

5th.—The share capital of the company is two hundred thousand rupees, divided into one thousand shares of two hundred rupees each.

We, the several persons whose names and addresses subscribed, are desirous of being formed into a company in pursuance of this memorandum of association, and we respectively agree to take the number of shares in the capital of the company set opposite our respective names.

Names, Addresses and Descriptions of Subscribers	Number of shares taken by each subscriber
1. A. B. of merchant	200
2. C. D. ,, ...	25
3. E. F. ,, ...	30
4. G. H. ,, ...	40
5. I. J. ,, ...	15
6. K. L. ,, ...	5
7. M. N. ,, ...	10
Total shares taken ...	325

Dated the ... day of ... 19 .

Witness to the above signatures.

X. Y., of

9219

FORM B.

(See sections 7 and 151).

Memorandum and Articles of Association of a Company Limited by Guarantee and not having a Share Capital.

MEMORANDUM OF ASSOCIATION.

1st.—The name of the company is "The Mutual Calcutta Marine Association, Limited."

2nd.—The registered office of the company will be situate in Calcutta.

3rd.—The objects for which the company is established are "the mutual insurance of ships belonging to members of the company, and the doing all such other things as are incidental or conducive to the attainment of the above object."

4th.—The liability of the members is limited.

5th.—Every member of the company undertakes to contribute to the assets of the company in the events of its being wound up while he is a member, or within one year afterwards, for payment of the debts and liabilities of the company contracted before he ceases to be a member, and the costs, charges and expenses of winding up and for the adjustment of the rights of the contributories among themselves, such amount as may be required not exceeding one hundred rupees.

We, the several persons whose names and addresses are subscribed, are desirous of being formed into a company in pursuance of this memorandum of association.

Names, Addresses and Descriptions of Subscribers.

"1. A. B. of
"2. C. D. of
"3. E. F. of
"4. G. H. of
"5. I. J. of
"6. K. L. of
"7. M. N. of

Dated the day of

Witness to the above signatures.

X. V. of

Articles of Association to accompany preceding Memorandum of Association.

Number of Members.

1. The company for the purpose of registration is declared to consist of five hundred members.

2. The directors hereinafter mentioned may, whenever the business or the association requires it, register an increase of members.

Definition of Members.

3. Every person shall be deemed to have agreed to become a member of the company who insures any ship or share in a shop in pursuance of the regulations hereinafter contained.

General Meetings.

4. The first general meeting shall be held at such time, not being less than one month nor more than three months after the incorporation of the company, and at such place, as the directors may determine.

5. A general meeting shall be held once in every year at such time (not being more than fifteen months after the holding of the last preceding general meeting) and place as may be prescribed by the company in general meeting, or, in default, at such time in the month following that in which the anniversary of the company's incorporation occurs, and at such place, as the directors shall appoint in default of a general meeting being so held a general meeting shall be held, in the month next following, and may be called by any two members in the same manner as nearly as possible as that in which meetings are to be called by the directors.

6. The abovementioned general meetings shall be called ordinary meetings; all other general meetings shall be called extraordinary.

7. The directors may, whenever they think fit, and shall, on a requisition made in writing by any five or more members, call an extraordinary general meeting.

8. Any requisition made by the members must state the object of the meeting proposed to be called, and must be signed by the requisitionists and deposited at the registered office of the company.

9. On receipt of the requisition, the directors shall forthwith proceed to call a general meeting: if they do not proceed to cause a meeting to be held within twenty-one days from the date of the requisition being so deposited, the requisitionists or any other five members may themselves call a meeting.

PROCEEDINGS AT GENERAL MEETINGS.

10. Fourteen days' notice at the least, specifying the place, the day and the hour of meeting, and in case of special business, the general nature of the business, shall be given to the members in manner hereinafter mentioned, or in such other manner (if any) as may be prescribed by the company in general meeting; but the non-receipt of such a notice by any member shall not invalidate the proceedings at any general meeting.

11. All business shall be deemed special that if transacted at an extraordinary meeting, and all that is transacted at an ordinary meeting with the exception of the consideration of the accounts, balance-sheets and the ordinary report of the directors and auditors, the election of directors and other officers in the place of those retiring by rotation, and the fixing of remuneration of the auditors.

12. No business shall be transacted at any meeting except the declaration of a dividend, unless a quorum of members is present at the commencement of the business. The quorum shall be ascertained as follows (that is to say):—if the members of the company at the time of the meeting do not exceed ten in number, the quorum shall be five: if they exceed ten, there shall be added to the above quorum one for every five additional members with this limitation, that no quorum shall in any case exceed ten.

13. If within one hour from the time appointed for the meeting, a quorum of members is not present, the meeting, if called on the requisition of the members, shall be dissolved; in any other case it shall stand adjourned to the same day in the following week at the same time and place; and if at such adjourned meeting a quorum of members is not present, it shall be adjourned *sine die*.

14. The chairman (if any) of the directors shall preside as chairman at every general meeting of the company.

15. If there is no such chairman, or if at any meeting he is not present at the time of holding the same, the members present shall choose some one of their number to be chairman of that meeting.

16. The chairman may, with the consent of the meeting, adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

17. At any general meeting, unless a poll is demanded by at least three members, a declaration by the chairman that a resolution has been carried, and an entry to that effect in the book of proceedings of the company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against the resolution.

18. If a poll is demanded in manner aforesaid, the same shall be taken in such manner as the chairman directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

VOTES OF MEMBERS.

19. Every member shall have one vote and no more.

20. If any member is a lunatic or idiot, he may vote by his committee or other legal guardian.

21. No member shall be entitled to vote at any meeting unless all moneys due from him to the company have been paid.

22. On a poll, votes may be given either personally or by proxy: Provided that no company shall vote by proxy as long as a resolution of its directors in accordance with the provisions of section 80 of the Mysore Companies Regulation, 193 , is in force. A proxy shall be appointed in writing under the hand of the appointor, or, if such appointor is a corporation under its common seal.

23. (1) No person shall act as a proxy unless he is a member, or unless he is appointed to act at the meeting as proxy for corporation.

(2) The instrument appointing him shall be deposited at the registered office of the company not less than forty-eight hours before the time of holding the meeting at which he proposes to vote.

24. Any instrument appointing a proxy shall be in the following form:—

Company, Limited,

I, of , being a Member of the Company, Limited, hereby appoint of as my proxy, to vote for me and on my behalf at the [ordinary or extraordinary, as the case may be] general meeting of the company to be held on the day of and at any adjournment thereof.

Signed day of

DIRECTORS.

25. The number of the directors and the names of the first directors shall be determined by the subscribers of the memorandum of association.

26. Until directors are appointed, the subscribers of the memorandum of association shall, for all the purposes of the Mysore Companies Regulation, 193 , be deemed to be directors.

POWERS OF DIRECTORS.

27. The business of the company shall be managed by the directors, who may exercise all such powers of the company as are not by the Mysore Companies Regulation, 193 , or by any statutory modification thereof for the time being in force, or by these articles, required to be exercised by the company in general meeting; but no regulation made by the company in general meeting shall invalidate any prior act of the directors which would have been valid if that regulation had not been made.

ELECTIONS OF DIRECTORS.

28. The directors shall be elected annually by the company in general meeting.

BUSINESS OF COMPANY.

(Here insert *rules as to mode in which business of insurance is to be conducted.*)

AUDIT.

29. Auditors shall be appointed and their duties regulated in accordance with sections 144 and 145 of the Mysore Companies Regulation, 193 , or any statutory modification thereof for the time being in force, and for this purpose the said sections shall have effect as if the word "members," were substituted for "shareholders," and as if "first general meeting" were substituted for "statutory meeting."

NOTICES.

30. A notice may be given by the company to any member either personally or by sending it by post to him to his registered address.

31. Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the notice and, unless the contrary is proved, to have been effected at the time at which the letter would be delivered in the ordinary course of post.

Names, Address and Descriptions of Subscribers.

"1. A. B. of
"2. C. D. of
"3. E. F. of
"4. G. H. of
"5. I. J. of
"6. K. L. of
"7. M. N. of

Dated the *day of* *19*

Witness to the above signatures.
X. Y., of

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FORM C.

(See sections 7 and 151.)

Memorandum and Articles of Association of a Company Limited by Guarantee, and having a Share Capital.

MEMORANDUM OF ASSOCIATION.

1st.—The name of the company is "The Snowy Range Hotel Company, Limited."

2nd.—The registered office of the company will be situate in the

3rd.—The objects for which the company is established are "the facilitating travelling in the Snowy Range, by providing hotels and conveyances by sea and by land for the accommodation of travellers, and the doing all such other things as are incidental or conducive to the attainment of the above object."

4th.—The liability of the members is limited.

5th.—Every member of the company undertakes to contribute to the assets of the company in the event of its being wound up, while he is a member, or within one year afterwards, for payment of the debts and liabilities of the company, contracted before he ceases to be a member, and the cost, charges and expenses of winding up the same and for the adjustment of the rights of the contributories amongst themselves, such amount as may be required, not exceeding fifty rupees.

6th.—The share capital of the company shall consist of five hundred thousand rupees, divided into five thousand shares of one hundred rupees each.

We, the several persons whose names and addresses are subscribed, are desirous of being formed into a company in pursuance of this memorandum of association, and we respectively agree to take the number of shares in the capital of the company set opposite our respective names.

Names, Addresses and Descriptions of Subscribers	Number of shares taken by each Subscriber
"1. A. B. of	200
"2. C. D. of	25
"3. E. F. of	30
"4. G. H. of	40
"5. I. J. of	15
"6. K. L. of	5
"7. M. N. of	10
Total shares taken ...	325

Dated the *day of* *19*

Witness to the above signatures.

X. Y., of

Articles of Association to accompany preceding Memorandum of Association.

1. The share capital of the company is five hundred thousand rupees, divided into five thousand shares of one hundred rupees each.

2. The directors may, with the sanction of the company in general meeting, reduce the amount of shares in the company.

3. The directors may, with the sanction of the company in general meeting, cancel any shares belonging to the company.

4. All the articles of Table A of the Mysore Companies Regulation, shall be deemed to be incorporated with these atricles and to apply to the company.

Names, Addresses and Descriptions of Subscribers.

"1. A. B. of , merchant.
"2. C. D. of
"3. E. F. of
"4. G. H. of
"5. I. J. of
"6. K. L. of
"7. M. N. of

Dated the day of 19

Witness to the above signatures.

X. Y., of

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FORM D.

(*See sections 8 and 151.*)

Memorandum and Articles of Association of an Unlimited Company having a Share Capital.

MEMORANDUM OF ASSOCIATION.

1*st.*—The name of the company is "The Patent Stereotype Company."

2*nd.*—The registered office of the company will be situate in the

3*rd.*—The objects for which the company is established are "the working of a patent method of founding and casting stereotype plates of which method P.Q., of , is the sole patentee."

We, the several persons whose names are subscribed, are desirous of being formed into a company in pursuance of this memorandum of association, and we respectively agree to take the number of shares in the capital of the company set opposite our respective names.

Names, Addresses and Descriptions of Subscribers	Number of shares taken by such subscriber
"1. A. B. of	3
"2. C. D. of	2
"3. E. F. of	1
"4. G. H. of	2
"5. I. J. of	2
"6. K. L. of	1
"7. M. N. of	1
Total shares taken ...	12

Dated the day of 19

Witness to the above signatures.

X. Y. of

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Articles of Association to accompany the preceding Memorandum of Association.

1. The share capital of the company is twenty thousand rupees, divided into twenty shares of one thousand rupees each.

2. All the articles of Table A of the Mysore Companies Regulation shall be deemed to be incorporated with these articles, and to apply to the company.

Names, Addresses and Descriptions of Subscribers.

"1: A. B. of , merchant.
"2. C. D. of
"3. E. F. of
"4. G. H. of
"5. I. J. of
"6. K. L. of
"7. M. N. of

Dated the day of 19

Witness to the above signatures.

X. Y. of

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FORM E.

As required by Part II of the Regulation.

(See section 32.)

Summary of Share Capital and Shares of the Company, Limited, made up to the day of 19 (being the day of the first ordinary general meeting in 19).

Nominal share capital Rs. divided into* } shares of Rs. each. shares of Rs. each.

Total number of shares taken up to the day of 19 which number must agree with the total shown in the list as held by existing members.

Number of shares issued subject to payment wholly in cash.

Number of shares issued as fully paid up otherwise than in cash.

Number of shares issued as partly paid up to the extent of per share otherwise than in cash.

†There has been called up on each—of shares ... ... Rs.

There has been called up on each—of shares ... ... Rs.

There has been called up on each—of shares ... ... Rs.

‡Total amount of calls received, including payments on application and allotment ... ... Rs.

Total amount (if any) agreed to be considered as paid on shares which have been issued as fully paid up otherwise than in cash ... ... Rs.

Total amount (if any) agreed to be considered as paid on shares which have been issued on partly paid up to the extent of per share... ... ... Rs.

Total amount of calls unpaid ... ... Rs.

Total amount (if any) of sums paid by way of commission in respect of shares or debentures or allowed by way of discount since date of last summary ... ... Rs.

Total amount (if any) paid on §shares forfeited ... Rs.

Total amount of shares and stock for which share-warrants are outstanding ... ... Rs.

Total amount of share-warrants issued and surrendered respectively since date of last summary ... .. Rs.

Number of shares or amount of stock comprised in each share-warrant ... ... Rs.

Total amount of debt due from the company in respect of all mortgages and charges which are required to be registered with the registrar under this Regulation ... Rs.

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* When there are shares of different kinds or amounts (*e.g.*, Preference and ordinary or Rs. 100 or Rs. 200), state the numbers and nominal values separately.

† Where various amounts have been called or there are shares of different kinds, state them separately.

‡ Include what has been received or forfeited as well as on existing shares.

§ State the aggregate number of shares forfeited.

THE THIRD SCHEDULE.

List of persons holding shares in the Company, Limited, on the day of 19 , and of persons who have held shares herein at any time since the date of the last return, showing their names and addresses and an account of the shares so held.

Folio in register ledger containing particulars	Names, addresses and occupations				Account of shares					Remarks
	Name in full	Father's name	Address	Occupation or caste	* Number of shares held by existing members at date of return	§Particulars of shares transferred since the date of the last return by persons who are still members.		§Particulars of shares transferred since the date of the last return by persons who have ceased to be members.		
						Number †	Date of registration of transfer	Number ‡	Date of registration of transfer	

* State the aggregate number of shares forfeited (if any).

† The aggregate number of shares held, and not the distinctive numbers, must be stated and the column must be added up throughout so as to make one total to agree with that stated in the summary to have been taken up.

‡ When the shares are of different classes, these columns may be sub-divided so that the number of each class held or transferred may be shown separately.

§ The date of registration of each transfer should be given as well as the number of shares transferred on each date. The particulars should be placed opposite the name of the transferor and not opposite that of the transferee, but the name of the transferee may be inserted in the remarks column immediately opposite the particulars of each transfer.

Names and addresses of the persons who are the Directors of the Limited, on the day of 19 .

Names	Addresses

Names and addresses of the persons who are the managers of the Limited, on the day of 19 .

Names	Addresses

NOTE.—Banking companies must add a list of all their places of business.

I, , do hereby certify that the above list and summary truly and correctly states the facts as they stood on the day of 19

(Signature)

(State whether director, manager or secretary.)

FORM F.

(See section 132.)

....., LIMITED.

Balance Sheet as at..... ....19 .

CAPITAL AND LIABILITIES.	Rs. a. p.	Rs. a. p.
CAPITAL—		
Authorised Capital.....shares of Rs..... each.		
(Distinguishing between the various classes of capital.)		
Issued Capital.....shares of Rs..... each.		
(*i*) Shares issued as fully paid up pursuant to any contract without payments being received in cash ..... shares of Rs..... each.		
(*ii*) Shares issued for payments in cash ..... shares of Rs..... each.		
Subscribed Capital.....shares of Rs..... each.		
Amount called up at Rs.....per share ...		
Less—Calls unpaid—		
[(*i*) due from Managing Agents		
(*ii*) due from others ... ...]		
Add—Forfeited shares (amount paid up) ...		
Note.—Where circumstances permit issued and subscribed capital and amount called up may be shown as one item, *e.g.*, Issued and Subscribed Capital .....Shares of Rs..... each, Rs..... paid up		

PROPERTY AND ASSETS.	Rs. a. p.	Rs. a. p.
FIXED CAPITAL EXPENDITURE— (Distinguishing as far as possible between expenditure upon good will, land, buildings, lease-holds, railway sidings, plant, machinery, furniture, development of property, patents, trade marks and designs, interest paid out of Capital during construction, etc., and stating in every case the original cost and the additions thereto and deductions therefrom during the year, and the total Depreciation written off under each head. Where sums have been written off on a reduction of capital or a re-valuation of assets every balance-sheet after the first balance-sheet subsequent to the reduction or re-valuation shall show the reduced figures, with the date of and the amount of the reduction made.)		
PRELIMINARY EXPENSES		
COMMISSION OR BROKERAGE ... ... (Commission or Brokerage paid for underwriting or placing or subscribing shares or debentures until written off.)		
DISCOUNT ALLOWED on the issue of shares or so much as has not been written off at the date of the balance-sheet.		
STORES AND SPARE PARTS		

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FORM F—*contd.*

CAPITAL AND LIABILITIES—*contd*	Rs. a. p.	Rs. a. p.
RESERVES		
DEBENTURES stating the nature of security ...		
ANY SINKING FUND		
ANY OTHER FUND CREATED OUT OF NET PROFITS including any development fund.		
ANY PENSION OR INSURANCE FUND		
PROVISION FOR BAD AND DOUBTFUL DEBTS ...		
LOANS—		
(*a*) Secured—		
(*i*) loans on mortgages or fixed assets ...		
(*ii*) loans on debentures		
(*iii*) loans from banks, stating the nature of security		
(*iv*) liabilities to subsidiary companies ...		
(*v*) other secured loans, stating the nature of security.		
(*vi*) interest accrued on mortgages, debentures or other secured loans.		
(*b*) Unsecured—		
(*i*) loans from banks		
(*ii*) fixed deposits		
(*iii*) short-term loans		
(*iv*) advances by directors or managers and managing agents.		
(*v*) interest accruing but not due and interest accrued and due.		
(*vi*) liabilities to subsidiary companies ...		
UNCLAIMED DIVIDENDS		
LIABILITIES—		
For Goods supplied		
,, Expenses		
,, Acceptances		
,, Other Finance		

PROPERTY AND ASSETS—*contd.*	Rs. a. p.	Rs. a. p
LOOSE TOOLS		
LIVE-STOCK AND VEHICLES		
STOCK IN TRADE		
(Stating mode of valuation, *e.g.*, cost or market value.)		
BILLS OF EXCHANGE		
BOOK DEBTS		
(Distinguishing between those considered good and in respect of which the company is fully secured and those considered good for which the company holds no security other than the debtor's personal security, and distinguishing between debts considered good and debts considered doubtful or bad. Debts due by directors or other officers of the company or any of them either severally or jointly with any other persons to be separately stated.)		
ADVANCES		
(Recoverable in cash or in kind or for value to be received, *e.g.*, Rates, Taxes, Insurance, etc., showing separately—		
(*i*) loans given to subsidiary companies ...		
(*ii*) loans including temporary advances made at any time during the year to directors or managers of the company.)		
INVESTMENTS		
(Showing nature of investments and mode of valuation, *e.g.*, Cost or Market value and distinguishing—		
(*i*) investments in Government or trust securities		
(*ii*) investments in shares, debentures or bonds (showing separately shares fully paid up and partly paid up) ...		

FORM F—*concld.*

CAPITAL AND LIABILITIES—*concld.*	Rs. a. p.	Rs. a. p.
ADVANCE PAYMENTS AND UNEXPIRED DISCOUNTS.		
(For the portion for which value has still to be given, *e.g.*, in the case of the following classes of companies— Newspaper, Fire Insurance, Theatre, Club, Banking, Steamship Companies, etc.)		
PROFIT AND LOSS		
CONTINGENT LIABILITIES—		
Claims against the company not acknowledged as debts.		
Money for which the company is contingently liable. (Showing separately the amount of any guarantees given by the company on behalf of directors or officers of the company.)		
Arrears of Cumulative Preference Dividends ...		

PROPERTY AND ASSETS—*concld.*	Rs. a. p.	Rs. a. p.
(*iii*) investments in shares, debentures or bonds of subsidiary companies		
(*iv*) immovable properties		
INTEREST ACCRUED ON INVESTMENTS ...		
CASH AND OTHER BALANCES		
Amount in hand		
Balances with Agents and Bankers (in detail showing whether on deposit or current account, etc.)		
Profit and Loss		

The information required to be given under any of the items or sub-items in this Form if not included in the Balance-Sheet itself shall be furnished in a separate Schedule or Schedules to be attached to and to form part of the Balance-Sheet.

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2787

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FORM G.

(See section 136.)

Form of Statement to be published by Banking and Insurance Companies and Deposit, Provident, or Benefit Societies.

* The share capital of the company is Rs. divided into shares of each

The number of shares issued is . Calls to the amount of Rs. per share have been made, under which the sum of Rs. has been received.

The liabilities of the company on the thirty-first day of December (or thirtieth of June) were :—

Debts owing to sundry persons by the company—

Under decree, Rs.
On mortgages or bonds, Rs.
On notes, bill, or hundis, Rs.
On other contracts, Rs.
On estimated liabilities, Rs.

The assets of the company on that day were :—

Government securities [stating them], Rs.
Bills of exchange, hundis and promissory notes, Rs.
Cash at the Bankers, Rs.
Other securities, Rs.

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* If the company has no capital divided into shares, the portion of the statement relating to capital and share must be omitted.

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FORM H.

(See section 277.)

Information to be supplied in or in addition to the information contained in the Balance-Sheet of a company referred to in Part X.

LIABILITIES.

1. Summary of Authorised Share Capital and issued Share Capital.
2. Redeemable Preference Shares, stating date on or before which the shares are or are liable to be redeemed.
3. Debentures stating the nature of Security.
4. Redeemed debentures which the Company has power to re-issue.
5. Loans (*a*) secured, stating the nature of the security;
   (*b*) unsecured.
6. Loans from Banks—
   (*a*) Secured, stating nature of security,
   (*b*) Unsecured.
7. Profit and Loss Account, showing (unless disclosed in a separate account)—
   Balance as per previous Balance-Sheet.
   Appropriation thereof.
   Profit since last Balance-Sheet.
8. Contingent Liabilities.
9. Arrears of Cumulative Preference Dividend.

ASSETS.

1. Fixed Assets, with sufficient particulars to disclose their general nature, and stating how their values are arrived at.
2. Preliminary expenses, so far as not written off.
3. Any expenses incurred in connection with any issue of Share Capital or Debentures, so far as not written off.
4. If it is shown as a separate item in or is otherwise ascertainable from the books of the Company, or from any contract for the sale or purchase of any property to be acquired by the Company, or from any documents in the possession of the Company relating to the stamp duty payable in respect of any such contract or the conveyance of any such property the amount of the goodwill and of any patents and trade markes as so shown or ascertained.

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5. Interest paid on Capital, so far as not written off, showing the Share Capital on which and the rate at which interest has been paid out of Capital during the period to which the accounts relate.

6. Discount allowed on Shares issued, so far as not written off.

7. Commission paid or allowed in respect of any shares or debentures, so far as not written off.

8. Loans outstanding to enable employees or trustees on their behalf to purchase shares in the Company.

9. Particulars showing—

(*a*) the amount of any loans which during the period to which the accounts relate have been made either by the Company or by any other person under a guarantee from or on a security provided by the Company to any director or officer of the Company, including any such loans which were repaid during the said period;

and

(*b*) the amount of any loans made in manner aforesaid to any director or officer at any time before the period aforesaid and outstanding at the expiration thereof;

and

(*c*) the total of the amount paid to the directors as remuneration for their services, inclusive of all fees, percentages, or other emoluments, paid to or receivable by them by or from the Company or by or from any subsidiary Company.

Note (1)—There shall not be required to be shown—

(*a*) in the case of a company the ordinary business of which includes the lending of money, loans made by the Company in the ordinary course of its business;

or

(*b*) loans made by the Company to any employee of the Company if the loan does not exceed twenty thousand rupees and is certified by the directors of the Company to have been made in accordance with any practice adopted or about to be adopted by the Company with respect to loans to its employees.

Note (2)—The foregoing shall not apply in relation to a Managing Director of the Company, and in the case of any other director who holds any salaried employment or office in the Company there shall not be required to be included in the said total amount any sums paid to him except sums paid by way of directors' fees.

(Where a company is a holding company then the Balance-Sheet shall disclose the particulars required by section 132 A.)

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THE FOURTH SCHEDULE.

(*See section 290.*)

ENACTMENTS REPEALED.

1	2	3	4
Year	No.	Subject or short title	Extent of repeal
1895	III	The Mysore Companies Regulation, 1895.	So much as has not been repealed.
1917	VIII	The Mysore Companies Regulation, 1917.	So much as has not been repealed.
1923	XVI	The Mysore Companies Amendment Regulation, 1923.	The whole

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Statement of Objects and Reasons.

The Mysore Companies Regulation VIII of 1917 was framed on the model of the Indian Companies Act VII of 1913, as amended by Act XI of 1914. Subsequent amending Acts were passed in British India, from time to time, the last and the most important being the Act XXII of 1936. The principal aim of this Act is to prevent the growth and continuance of companies with insufficient capital and companies guilty of fraudulent trading and to introduce reforms in the system of managing agency which is a feature peculiar to India. It also introduces certain other changes calculated to enable shareholders to have far greater knowledge and far more effective control of the affairs of the companies than they now possess, consistent with the healthy growth and development of joint-stock concerns. It has been found necessary to amend the law in Mysore on similar lines and bring it into conformity with that in British India.

The principal changes proposed are the following.—With a view to discouraging the flotation of companies without adequate capital, it is provided in clause 101 that the minimum subscription on which depends the certificate of commencement of business shall be fixed so as to leave in the hands of the management a reasonable amount of working capital. In the case of the existing companies provision has been made for the maintenance of proper books of accounts and the publication of further details in the balance-sheets and empowering the Registrar to apply to court for winding up of companies which, from their balance-sheets and other documents, are found to be really in insolvent condition.

The law at present does not provide for the books of accounts which must be maintained by a joint-stock company and the result is that the management maintains them as it suits its interests best. This defect is now remedied. Not only are the books of accounts to be maintained prescribed but the Auditor of the Company is required also to certify that the said books have been maintained. The certificate is required to be published along with the balance-sheet and the Auditor empowered to attend the meeting of shareholders, in his own right, to see that all the information which should be placed before them has been so placed.

It is proposed to do away with the insertion of provisions in the Articles of Association, purporting to relieve directors of liability due to their negligence, default or breach of trust, *vide* clause 86-C. The bill introduces restrictions on loans made to to them and provides that any loan made shall be disclosed in the balance-sheet, the form of which has been amended. It also prevents them from holding offices of profit under the company and requires their remuneration to be disclosed.

The managing agency system formed a difficult problem and the same provisions as have been incorporated in the Indian Act in this respect are proposed to be included here also. The natural life of a managing agency is limited to a term of twenty years and that of a managing agency appointed before the amendment has been fixed at twenty years from the date of commencement of this Regulation if it does not terminate earlier. In the case of new managing agents any provision for additional remuneration except a fixed percentage of profits, with a provision for minimum remuneration in case of inadequacy or absence of profits, would be invalid unless sanctioned by the shareholders. The granting of loans to managing agents has been restricted and other limitations upon their power and control provided for.

In the case of banking companies, it is provided that a certificate of commencement of business shall be issued only after sufficient working capital has been obtained. The maintenance of a reserve fund and a cash reserve is made compulsory. The Bill makes provision for a moratorium to save from liquidation of a banking company in temporary difficulties.

The Registrar has been invested with wider powers of control and supervision, acting on his own motion or on application of a party whose interests have been affected. He is empowered to require explanations, to make enquiries and if necessary, to institute criminal proceedings and even, in certain instances, to apply to Court for the winding up of a company.

Provisions have also been introduced preventing misuse of securities lodged with a company by its employees under their contract of service and safeguarding provident funds and their contributions.

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NOTIFICATIONS.

No. P. 3120—Cts. 100-37-2, dated Bangalore, the 16th December 1937.

In exercise of the power conferred by Sections 269 and 274 of the Code of Criminal Procedure, 1904, Government are pleased to direct that from and after 1st February 1938 until further orders the trial before the Courts of Session of the Mysore and Shimoga Divisions of the offences hereunder setforth and of all abetments of and attempts to commit those offences or any of them and committed in the Districts of Hassan and Chitaldrug shall be by a jury consisting of five persons, *viz.*—

The offences made punishable by Sections 379, 382, 384 to 389, 392 to 395, 397 to 402, 411, 412, 414, 426 to 440 and 447 to 462 of the Indian Penal Code.

The trial of these offences and of abetments and attempts to commit them shall, if the presiding judge so directs, be by jurors summoned from a Special Jury list.

By Order,
B. T. KESAVIENGAR,
Chief Secretary to Government.

No. D. 4436—J. S. 32-36-11, dated Bangalore, the 16—20th December 1937.

In exercise of the powers conferred on them by Section 71(1) of the Mysore Partnership Act VI of 1936, the Government of His Highness the Maharaja are pleased to issue the following rule, the draft rule in the said behalf having been notified with Notification No. D. 2062—J. S. 32-36-7, dated 16th August—1st September 1937, and published at page 231 of Part IV of the *Mysore Gazette*, dated the 9th September 1937.

"The fees which shall accompany documents sent to the Registrar of Firms, or which shall be payable for the inspection of documents in the custody of the Registrar of Firms or for copies from the Registrar of Firms, shall be the maximum fee specified in Schedule I to the Act."

No. D. 4438—*J. S.* 32-36-12, *dated Bangalore,* 16—20*th December* 1937.

In exercise of the powers conferred on them by Section 71 (2) of the Mysore Partnership Act VI of 1936, the Government of His Highness the Maharaja are pleased to issue the following rules, the draft rules in the said behalf having been notified with Notification No. D. 2060—J. S. 32-36-6, dated 30th August—1st September 1937, and published at pages 221-230 of Part IV of the *Mysore Gazette*, dated the 9th September 1937.

APPENDIX.

Any suggestions received after the due date shall not receive consideration.

The Mysore Partnership (Registration of Firms) Rules, 1937.

Short title.

These rules may be called the "Mysore Partnership (Registration of Firms) Rules, 1937."

Definitions.

2. In these rules, unless there is anything repugnant in the subject or context.—

(*a*) The Regulation means the Mysore Partnership Regulation, 1936; and

(*b*) Registrar means the Registrar of Firms.

Form and verification of statements under Sections 58 and 60.

3. The statements submitted to the Registrar under Sections 58 and 60 of the Regulation shall respectively be in Forms I and II annexed to these rules and shal be verified in the manner indicated therein.

Form of intimations and notices under Sectons 61, 62 and 63.

4. Intimations and notices under Sections 61, 62 and 63 (2) of the Regulation shall respectively be in Forms III, IV, V and VI annexed to these rules with such variations as circumstances may require.

Register of Firms.

5. The Register of Firms shall be in Form A annexed to these rules. The name of and the particulars relating to each firm shall be entered therein in the order of its registration on a separate page or pages. Each firm shall be assigned a number in a consecutive series

commencing and ending with the calendar year. A note of every document filed shall be entered in the register in the page or pages allotted to the firm concerned and shall be signed by the Registrar.

Amendment of entries in Register.

6. When an entry made in the Register of Firms is to be amended, the amendment shall be shown by means of a suitable note in the remarks column opposite to the entry concerned, and the new entry shall be made at the end of the existing entry or entries with suitable cross references.

Protest against entries in Register.

7. Where any partner or other person interested makes a protest in writing to the Registrar disputing any entry made in the Register of Firms, the Registrar shall record such protest and make a reference thereto in red ink in the remarks column against the disputed entry.

The Registrar's powers of inquiry and investigation.

8. The Registrar may, in case of dispute, institute such inquiries or make such investigation as may, in his opinion, be necessary for the proper performance of his duties under the Regulation.

Index to Register of Firms.

9. (a) An index to the Register of Firms shall be prepared in English on loose sheets lettered alphabetically and shall contain the particulars shown in Form B annexed to these rules. A fresh index shall be prepared for each calendar year. The name of each firm shall be indexed as soon as the entries relating thereto are made in the Register of Firms.

(b) After all the firms registered in a year have been indexed, the index shall be checked by the Registrar who shall add a certificate in token of such check and the pages shall then be numbered in ink.

(c) The index for each year shall, after it has been checked, be bound into volumes of convenient size.

Acknowledgment of registration and documents.

10. (a) Upon the registration of a firm the Registrar shall grant to the firm an acknowledgment in Form C annexed to these rules and on the filing of any documents required to be filed under the Regulation, he shall grant to the person at whose instance it is filed an acknowledgment in Form D annexed to these rules.

(b) On every document filed under the Regulation, the Registrar shall endorse the following particulars, namely:—

(i) the number borne by the firm on the register,

(ii) the name of the firm,

(iii) the description of the document,
(iv) the serial number of the document, and
(v) the date of filing.

The Registrar shall also affix his signature and the seal of his office to such document.

(c) If there is no space on the document for entering the particulars referred to in sub-rule (b), the entry shall be made on a separate paper which shall be attached to the document and a note of the fact shall be made on the document itself and shall be signed by the Registrar.

Filing of documents.

11. (a) The Registrar shall examine every statement, intimation, notice or other document received by him which is required by the Regulation to be registered, recorded or filed; and if he finds any such statement, intimation, notice or other document to be defective or incomplete in any of the particulars required by the Regulation or these rules, he shall return it to the party or firm tendering it, for due rectification or completion; and until such statement, intimation, notice or other document is so rectified or completed, he shall not register, record or file the same.

(b) No statement, intimation, notice or other document in respect of which a fee is payable shall be registered, recorded or filed by the Registrar until the fee has been paid to him, and the Registrar shall, pending such payment, act as if no such statement, intimation, notice or other document has been tendered for registration, record or filing.

(c) A separate file shall be maintained in respect of each firm, in which all documents relating thereto received from time to time by the Registrar shall be filed.

Account and receipt for fees.

12. An account of all fees received in the Registrar's Office shall be maintained therein.

All fees payable under the Regulation shall be paid either in cash to a Government Treasury or by affixing Mysore Court Fee Stamps.

Inspection of original documents.

13. Any person interested in a firm may, on satisfying the Registrar of such interest and on payment of the prescribed fee, inspect the original document relating to the firm filed with the Registrar.

Application for copies to be in writing.

14. Every application for a copy under Section 67 of the Regulation shall be in writing.

Seal.

15. The seal used by the Registrar shall bear the words "Registrar of Firms, Mysore."

16. (*a*) The Register of Firms and the index thereto shall be preserved permanently. Preservation and elimination of Registers and Records.

(*b*) All other records, including the statements referred to in Section 58 of the Regulation, may be destroyed.

(i) in the case of a firm which has been dissolved, on the expiry of five years from the date of its dissolution; and

(ii) in the case of a firm which, though not dissolved, has not been transacting business and has not been heard of for a period of not less than seven years, in accordance with and subject to the provisions of sub-rule (*c*).

(*c*) In cases falling under clause (ii) of sub-rule (*b*), the Registrar shall publish in the *Mysore Gazette* and at the same time send by registered post to each of the partners of the firm concerned to his last known address, a notice stating that the records and statements relating to the firm will be destroyed unless cause is shown to the contrary within a period of three months from the date of publication of the notice in the *Mysore Gazette*. If cause is not shown as aforesaid, the records and statements may be destroyed.

17. If any document required to be filed under the Regulation or any portion of such document is not in the English or Kannada languages, an English translation of such document or portion, certified as correct by at least one partner (or his authorised agent) shall be furnished along with each copy of such document or portion. Translations to be furnished where original not in English or in Kannada.

18. The Office of the Registrar shall be open for business (Sundays and authorised holidays excepted) between the hours of 11 A.M. and 5 P.M. Office hours.

19. The Registrar shall submit to Government so as to reach them on or before the 1st June in each year, a report on the working of the Regulation, during the year ending the 31st March preceding. Administration report.

FORM No. I.

(*See Rule* 3.)

Filing fee Rs. 3.

The Mysore Partnership Regulation, 1936.

Application for registration of firm by the name*

Presented or forwarded to the Registrar of Firms for filing by

We, the undersigned being the partners of the firm hereby apply for registration of the said firm and for that purpose supply the following particulars in pursuance of Section 58 of the Mysore Partnership Regulation, 1936 :—

The firm name*		
Places of business	(*a*) Principal place (*b*) Other places	
Name of partners in full	Date of joining the firm	Permanent address in full
1.		
2.		
Duration of the firm		

Station
Date

Signature of the partners or their specially authorised agents.

I, son of years of age of religion, do hereby declare that the above statement is true and correct to the best of my knowledge and belief.

Date
Witnesses

Signature.

I, son of years of age of religion, do hereby declare that the above statement is true and correct to the best of my knowledge and belief.

Dated
Witness

Signature.

* Here enter name of firm.

If any partner is a minor the fact whether he is entitled to the benefits of partnership should be set out herein.

N.B.—This form must be signed by all partners or their agents specially authorised in this behalf in the presence of a witness or witnesses who must be either a Gazetted Officer, Advocate, Attorney, Pleader, Honorary Magistrate.

FORM No. II.

(*See Rule* 3.)

Filing fee Re. 1.

The Mysore Partnership Regulation, 1936.

Statement of alteration in the name of the firm or in the location of the principal place of business. Presented or forwarded to the Registrar of firms for filing by

We, the undersigned, being the partners of the firm* hereby supply the following particulars in pursuance of Section 60 (1) of the Mysore Partnership Regulation, 1936 :—

Name of Firm.

Previous name	New name

Principal place of business.

Previous place	New place

Station

Date

Signature of the partners or their specially authorised agents.

I, son of years of age of religion, do hereby declare that the above statement is true and correct to the best of my knowledge and belief.

Date

Witness

Signature.

I, son of years of age of religion, do hereby declare that the above statement is true and correct to the best of my knowledge and belief.

Dated

Witnesses

Signature.

* Here enter the name of the firm.

N.B.—Strike out item not required.

FORM No. III.

(*See Rule* 4.)

Filing fee Re. 1.

The Mysore Partnership Regulation, 1936.

Intimation of change in the place of business (other than principal place of business).

Presented or forwarded by the Registrar of Firms for filing by

Under Section 61 of the Mysore Partnership Regulation, 1936, intimation is herby given that the change specified below has occurred in the place of business of the firm *

Date of change.

(1) The firm has discontinued business at

(2) The firm has begun to carry on business at

Station

Date

Signature of any partner or agent of the firm.

* Here enter name of firm.
N. B.—Strike out items not required.

FORM No. IV.

(*See Rule* 4.)

Filing fee Re. 1.

The Mysore Partnership Regulation, 1936.

Intimation of alteration in the name or permanent address of partner.

Presented or forwarded to the Registrar of Firms for filing by

Under Section 62 of the Mysore Partnership Regulation, 1936, intimation is hereby given that the change specified below has occurred in the name of permanent address of partner in the firm *

Name of Partner.

Previous name (in full)	New name (in full)

Name of Partner.

Previous permanent address (in full)	Present permanent address (in full)

Station

Date

Signature of any partner or agent of the firm.

* Here enter name of firm.
N. B.—Strike out item not required.

FORM No. V.

(*See Rule* 4.)

Filing fee Re. 1.

The Mysore Partnership Regulation, 1936.

Notice of change in the constitution of the firm or of the dissolution of the firm.

Presented or forwarded to the Registrar of firms for filing by

Under Section 63 (1) of the Mysore Partnership Regulation, 1936, notice is hereby given that—

(1) The constitution of the firm * has been altered as follows :—

Name and full address of the in-coming partner and date of his joining the firm	Name and full address of the out-going partner and date of ceasing to be partner

Station
Date

Signature of the in-coming continuing, or the out-going partner or of his specially authorised agent.

(2) The firm* has been dissolved with effect from the
Station
Date

Signature of the person who was a partner immediately before the dissolution or of his specially authorised agent.

*. Here enter name of the firm.
N. B.—Strike out item not required.

FORM No. VI.

(*See Rule* 4.)

Filing fee Re. 1.

The Mysore Partnership Regulation, 1936.

Notice of election by person admitted to the benefit of partnership on attaining majority.

Presented or forwarded to the Registrar of Firms for filing by

Under Section 63 (2) of the Mysore Partnership Regulation, 1936, notice is hereby given that admitted to the benefit of partnership in the firm* having now attained majority $\frac{\text{elects to become}}{\text{elects not to become}}$ a partner of the said firm.

Station
Date

Signature of the person electing or of his specially authorised agent.

* Here enter name of firm.

FORM A.

(*See Rule* 5.)

Register of Firms.

(Maintained under Section 59 of the Mysore Partnership Regulation, 1936.)

1. Serial Number of Firm.
2. Name of Firm.
3. Date of registration.
4. Duration of the Firm.
5. Address.

Date of change	Remarks	6. Partners					7. Principal place of business and changes therein		
		Name of the partners	Address	Date of		Remarks	Particulars regarding the place	Date of change	Remarks
				Joining	Ceasing				

8. Other places of business				Name of Firm				Name of Firm			
Name of place	Date of		Remarks	Serial No. of the document	Description of document	Date of filing	Signature of Registrar	Serial No. of the document	Description of document	Date of filing	Signature of the Registrar
	Opening	Ceasing									

FORM B.

(*See Rule* 9.)

Index to the Register of Firms.

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Firm name	Name of partners	Principal place of business	Volume No.	1st page of entry	Number borne on the register
1	2	3	4	5	6

FORM C.

[*See Rule 10* (a).]

ACKNOWLEDGMENT OF REGISTRATION OF FIRM.

The Registrar of Firms, Mysore, hereby acknowledges the receipt of the statement prescribed by Section 58 (1) of the Mysore Partnership Regulation, 1936. The statement has been filed and the name of the firm* has been entered in the Register of Firms.

as No. of 193 .

Seal

Bangalore City, dated the

day of 193 . *Registrar of Firms.*

* Here enter name of firm.

FORM D.

[*See Rule* 10 (a).]

MEMORANDUM ACKNOWLEDGING RECEIPT OF DOCUMENTS.

The Registrar of Firms, Mysore, hereby acknowledges the receipt of the undermentioned document/documents and intimates that it has/they have been filed in pursuance of the Mysore Partnership Regulation, 1936.

Here enter description of document/documents.

Bangalore City.

Dated 193 .

To

Mr./Messrs. *Registrar of Firms.*

By Order,

M. VENKATANARANAPPA,

Secretary to Government,
Development Department.

Printed by the Superintendent at the Government Press, Bangalore.

Regd. No. M.—1175

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The Mysore Gazette

Vol. 72.] PUBLISHED BY AUTHORITY. [No. 1.

BANGALORE, THURSDAY, JANUARY 7, 1937.

PART IV.

Legislative measures and Rules thereunder.

NOTIFICATION.

No. T. 811—*R. T.* 9-36-5, *dated Bangalore, the 2nd—5th January* 1937.

In exercise of the powers conferred on them by Section 13 of the Mysore Road Traffic and Taxes Regulation, IV of 1935, the Government of His Highness the Maharaja are pleased to direct that the concession of levying a rate of service tax on certain buses of Mr. C. H. Ashe used for the conveyance of the students of Srimathi Kamalabai's Girls High School notified under Notification No. P. 4707—Legis. 1-35-127, dated 20th January 1936 be withdrawn with effect from 1st January 1937.

By Order,

M. VENKATESA IYENGAR,
Secretary to Government,
General Department.

Printed by the Superintendent at the Government Press, Bangalore.

Regd. No. M.—1175

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The Mysore Gazette

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BANGALORE, THURSDAY, JANUARY 14, 1937.

PART IV.

Legislative measures and Rules thereunder.

NOTIFICATIONS.

Order No. P. 4168—Legis. 29-36-1, dated Bangalore, the 5th January 1937.

Ordered that the accompanying Regulations to amend the Representative Assembly Regulation and Legislative Council Regulation which received the assent of His Highness the Maharaja, on the 26th day of December 1936, be published as Regulations No. XI and XII of 1936, respectively in the *Mysore Gazette* for general information.

M. VENKATESA IYENGAR,
Secretary to Government,
General Department.

REGULATION XI OF 1936.

(Received the assent of His Highness the Maharaja on the 26th day of December 1936).

Regulation to amend the Mysore Representative Assembly Regulation, XVIII of 1923.

Whereas it is expedient to make due provision for the purposes of raising the maximum strength of the urban representation on the Mysore Representative Assembly and of regulating procedure as regards legislative measures, by amending the Mysore Representative Assembly Regulation; His Highness the Maharaja is pleased to enact as follows:—

Amendment of Section 3(3) of the Regulation.

1. In the second sentence in Section 3 (3) of the Regulation, for the word "fifty" occurring after the words "not less than thirty and not more than," the word "fifty-five" shall be substituted.

Substitution of a new sub-section for Section 9 (1) of the Regulation.

2. For sub-section (1) of Section 9 of the Regulation, the following shall be substituted:

"9 (1). When any Bill is proposed to be introduced in the Legislative Council, the general principles underlying it may first be placed by the Government before the Assembly in the form of a statement and its opinion ascertained. Where the opinion of the Assembly has not been so ascertained, before the introduction of a Bill in the Legislative Council, the general principles underlying it shall be placed by the Government before the Assembly and its opinion ascertained at the earliest opportunity after its introduction in the Legislative Council and before its passing".

REGULATION XII OF 1936.

(Received the assent of His Highness the Maharaja on the 26th day of December 1936.)

Regulation to amend the Mysore Legislative Council Regulation, XIX 1923.

Whereas it is expedient to make due provision for the purpose of discontinuing the election of eight members from the Mysore Representative Assembly to the

Legislative Council, by amending the Mysore Legislative Council Regulation; His Highness the Maharaja is pleased to enact as follows:—

1. In the third sentence in Section 4 (3) of the Regulation, the words "by the Mysore Representative Assembly and" occurring therein shall be omitted. Amendment of Section 4(3) of the Regulation.

2. The first proviso to Section 4 (3) of the Regulation shall be omitted.

MIRZA M. ISMAIL,
Dewan.

No. T. 866—*R. T.* 38-36-4, *dated Bangalore, 7th January* 1937.

The following draft amendment which the Government propose to make in exercise of the powers conferred on them under Section 11 of the Mysore Motor Vehicles Regulation, 1928, to the Rules regarding Public Service Motor Vehicles issued with Notification No. P. 3992—Legis. 46-35, dated 18th December 1935, as amended from time to time, is hereby published for the information of persons likely to be affected thereby, and notice is hereby given that the said draft will be taken into consideration on or after the 25th January 1937 and that any suggestions or objections which may be received from any person with respect to the said draft will be considered by Government.

DRAFT AMENDMENT.

Add the words "Khaki shirts or" between the words "Shorts and" and "Khaki" in the first line against Drivers in Rule 44 of the above said rules.

After amendment, the rule would read as follows:—

"Drivers:—Khaki trousers or shorts and khaki shirts or khaki closed coats with five buttons and a cap or a turban or a hat".

By Order,
M. VENKATESA IYENGAR,
Secretary to Government,
General Department.

Printed by the Superintendent at the Government Press, Bangalore.

Regd. No. M.—1175

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The Mysore Gazette

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BANGALORE, THURSDAY, JANUARY 21, 1937.

PART IV.

Legislative measures and Rules thereunder.

NOTIFICATIONS.

No. R. 2791—L. S. 34-36-3, dated Bangalore, the 13th January 1937.

Under Section 17 of the Mysore Land Record of Rights Regulation X of 1927, the Government of His Highness the Maharaja of Mysore are pleased to direct that the following 'Note' be added to item No. 6 of Rule 42 of the Rules issued under the said Regulation :—

NOTE.—The fee deposited by a party affected will be refunded to him in cases where the original measurement of the Surveyor is found on check to be substantially incorrect, the amount of the fee being recovere l from the Surveyor who was responsible for the mistake at the time of original measurement.

B. T. KESAVIENGAR,
Offg. *Chief Secretary to Government.*

No. Rl. 668—L. C. 9-36-1, Bangalore, dated 18th January 1937.

In exercise of the powers vested in them under Section 6(2) (a) and (d) of the Mysore Legislative Council Regulation, XIX of 1923, the Government of His Highness the Maharaja are pleased to direct that the distribution of seats between official and non-official, elected and nominated members as detailed in the schedule to Notification No. P. 2401—Legis. 13-23-1, dated the 7th November 1923, be revised as shown below :—

Nominated Members.—	
(i) Officials	20
(ii) Non-officials	8
Total ...	28
Elected Members.—	
(i) Elected by urban areas, *viz.*, the City Municipal areas of Bangalore and Mysore—*one each* ...	2
(ii) Elected by rural areas, *viz.*, the eight district constituencies as now existing except that the cities of Bangalore and Mysore will not form part of the respective district constituencies—*two each*	16
(iii) Elected representatives of the following special interests :—	
1. Mysore University	1
2. Commerce and Trade ...	1
3. Planting	1
4. Labour	1
Total ...	22
Grand Total ...	50

No. Rl. 669—L. C. 9-36-2, Bangalore, dated 18th January 1937.

In exercise of the powers vested in them under section 6 (2) (e) of the Mysore Legislative Council Regulation, XIX of 1923, the Government of His Highness the Maharaja are pleased to direct that the following new clause be inserted as clause X under Rule 1 of the Rules issued with Notification No. P. 2405—Legis. 13-23-5, dated the 7th November 1923 relating to the disqualifica-

tions of candidates for election as members of the Legislative Council :—

X. Who is a member of the Mysore Representative Assembly and has made the oath or affirmation as such member.

(*N. B.*—This clause does not apply to candidates standing for general elections).

No. Rl. 670—L. C. 9-36-3, Bangalore, dated 18th January 1937.

In exercise of the powers vested in them under Section 6 of the Mysore Legislative Council Regulation, XIX of 1923, the Government of His Highness the Maharaja are pleased to amend Rule No. 21 of the Rules issued with Notification No. Rel. 529—L. C. 12-29-1, dated the 7th January 1930, as regards the conduct of elections to the Legislative Council, as follows :—

21. If any person is elected either by more than one constituency of the Legislative Council or is elected by a constituency of the Legislative Council as a member thereof and a constituency of the Representative Assembly as a member thereof, he shall, by notice in writing signed by him and delivered to the Secretary to Government, Law Department, within seven days from the date of publication of the results of such elections in the *Gazette* choose for which one of these constituencies he shall serve and the choice shall be final.

No. Rl. 671—L. C. 9-36-4, Bangalore, dated 18th January 1937.

In exercise of the powers vested in them under Section 6 (2) (b) of the Mysore Legislative Council Regulation, XIX of 1923, the Government of His Highness the Maharaja are pleased to amend Rule No. 3 of the Rules issued with Notification No. P. 3868—Legis. 13-23-15, dated the 11th January 1924, with regard to the

manner of filling casual vacancies occurring in the Legislative Council, as follows:—

In the first sentence of Rule 3, the words "his leaving the State with the intention of being absent for more than six months at a time" shall be substituted for the words "absence from the State" occurring therein.

The rule as revised will read thus:—

3. If any vacancy occurs in the case of an elected member by reason of his election being declared void or by reason of his leaving the State with the intention of being absent for more than six months at a time, death, acceptance of office or resignation duly accepted by Government or by reason of his ceasing to be a member of the original body which elected him, the Government shall, by notification in the official Gazette, call upon the constituency concerned to elect a person to fill up such vacancy within such time as may be prescribed by the Government for the purpose. If a vacancy occurs in the case of a nominated member, the Government shall nominate to the vacancy a person having the necessary qualifications.

No. Rl. 672—*L. C.* 9-36-5, *dated Bangalore,*
18*th January* 1937.

In exercise of the general powers vested in them under Section 6 (1) of the Mysore Legislative Council Regulation, XIX of 1923, the Government of His Highness the Maharaja are pleased to direct that, for Rules 6 and 6-A of the rules laid down in Notification No. P. 4347—Legis. 13-23-22, dated the 5th February 1924, as amended by Notification No. Rel. 516—L. C. 9-29-2, dated the 18th—23rd December 1929, regarding the conduct of business and procedure to be followed in the Council, the following revised rules be substituted:—

"6. When Government propose to introduce a measure of legislation in the Legislative Council, the general principles underlying it may be placed by the Government before the Representative Assembly as provided for in Section 9 of the Representative Assembly Regulation and after its opinion is ascertained the Government may decide either to introduce a Bill embodying

the proposed measure of legislation or to introduce a modified Bill in view of the discussions in the Assembly or to drop the measure altogether. Where the opinion of the Assembly has not been so ascertained before the introduction of a Bill in the Legislative Council, the general principles underlying it shall be placed by the Government before the Assembly and its opinion ascertained at the earliest opportunity after its introduction in the Legislative Council and before its passing. In either case, the official member in charge of the measure shall obtain the permission of the Dewan, in writing, for leave to introduce the Bill in the Legislative Council, and if such permission is granted, he may move for the leave of the Council to introduce the Bill after giving 15 days' previous notice of the title and subject of the Bill to the Secretary.

6 A. If a non-official member wishes to introduce a Bill in the Legislative Council, he shall submit to the Secretary a draft of the Bill, a statement of the general principles underlying it, and a statement of the objects and reasons thereof and other connected papers, if any, and ask for the permission of the Dewan to its introduction. If the Dewan agrees to the introduction of the Bill, the principles underlying it and the Bill with the statement of objects and reasons as submitted by the member shall be placed by Government before the Representative Assembly at a meeting of that House. The views of the Assembly on the measure shall be communicated by the Secretary to the member concerned. The member may then either ask the leave of the Council to introduce the Bill after giving 15 days' previous notice or may abandon it, or request again the leave of the Dewan for introducing it in a modified form in view of the opinion of the Assembly. It will be open to the Government to present the modified Bill again to the Representative Assembly, if Government consider it necessary, and in that case the opinion of the Assembly shall again be communicated to the member. If the member desires to move for the leave of the Council to introduce the Bill, he may do so after giving 15 days' previous notice of the title and subject of the Bill to the Secretary. He shall also send to the Secretary, along with the notice, a copy of the Bill, who shall circulate copies thereof to the members of the Council along with the agenda. Leave of the Council for

introducing a Bill shall be asked for within a year from date of communication to him of the views of the Representative Assembly in regard to the measure.

Rl. 673—*L. C.* 9-36-6, *dated Bangalore,* 18*th January* 1937.

In exercise of the powers vested in them under Section 14 of the Mysore Legislative Council Regulation, XIX of 1923, the Government of His Highness the Maharaja are pleased to direct that the following amendments be made in the rules issued with Notification No. P. 4348—Legis. 13-23-23, dated the 5th February 1924, as amended by No. Rel. 406—L. C. 4-25-1, dated the 3rd April 1926, No. Rel. 525—L. C. 11-29-1, dated the 2nd January 1930, and No. Rel. 232—L. C. 8-30-1, dated the 7th January 1931, respectively, as regards the asking of questions and moving of resolutions in the Legislative Council :—

1. Insert the following as Rule No. 2 :—

No member shall be allowed to send up more than five questions for any session of the Council and not more than two of them may be starred for purposes of putting supplementary questions.

NOTE.—Supplementary questions may be put in the Council only in respect of answers to starred questions. Questions not starred will not be called in Council, but they will be printed with answers and placed on the table of the House along with the list of starred questions. Oral supplementary questions will not be allowed in regard to unstarred questions.

2. Insert the following as sub-rules (f), (g) and (h) under Rule 4 :—

(*f*) It shall relate to a single matter,

(*g*) It shall not bring in any matter not strictly necessary to make the question intelligible; and

(*h*) It shall not relate to matters which are entirely within the competence of a local authority or a private company.

3. Insert the following as Rule No. 9 :—

No member shall be allowed to send up more than two resolutions for any session of the Council.

4. Insert the following as sub-rule (2) of Rule 18 and re-number the remaining three sub-rules as (3), (4) and (5) :—

The President may direct any member whose conduct is, in his opinion, grossly disorderly, to withdraw immediately from the Council and any member so ordered to withdraw shall do so forthwith and shall absent himself during the remainder of the days' sittings.

Rl. 674—*L. C.* 9-36-7, *dated Bangalore, 18th January* 1937.

In exercise of the powers vested in them under Section 6 of the Mysore Legislative Council Regulation, XIX of 1923, the Government of His Highness the Maharaja are pleased to direct that the Rule No. 5 issued with Notification No. P. 2404—Legis. 13-23-4, dated the 7th November 1923 as subsequently amended regarding the qualifications and disqualifications of voters to the Legislative Council and Rule No. 36 issued with Notification No. Rel. 529—L. C. 12-29-1, dated the 7th January 1930 as subsequently amended regulating the conduct of elections to the Legislative Council, be both deleted.

No. Rl. 675—L. C. 9-36-8, Bangalore, dated 18th January 1937.

In exercise of the powers vested in them under Section 6 (2) (c) of the Mysore Legislative Council Regulation, XIX of 1923, the Government of His Highness the Maharaja are pleased to amend the rules regarding the nomination of members to the Legislative Council issued with Notification No. P. 2402—Legis. 13-23-2, dated the 7th November 1923, as follows :—

The eight seats reserved for non-officials under Notification No. P. 2401—Legis. 13-23-1, dated the 7th November 1923, and as subsequently amended, will as

required in Section 4 (3) of the Regulation be for the representation of special interests and minorities or for any other cause:

Provided that Government will guarantee to the interests specified below representation in the Legislative Council as noted against each—

Mahomedans	....	2 seats
Indian Christians	....	1 seat
Depressed Classes	....	1 seat

If they fail to secure this number through the electorates for the return of the non-official members specified in Schedule II of the Legislative Council Regulation, Government will make good the difference by nomination through associations to be recognised for the purpose according to the procedure prescribed in para 38 of the Government Order No. 1367-1420—C. B. 100-23-1, dated the 27th October 1923.

No. Rl. 676—R. A. 27-36-1, Bangalore, dated 18th January 1937.

In exercise of the powers vested in them under Section 6 (2) (e) of the Mysore Representative Assembly Regulation, XVIII of 1923, the Government of His Highness the Maharaja are pleased to direct that in lieu of the rules issued with Notification No. P. 2398—Legis. 12-23-5, dated the 7th November 1923, as amended by Notification No. Rel. 1180—R. A. 56-26-1, dated the 25th April 1927, as regards the qualifications and disqualifications of elected members of the Representative Assembly, the following shall be substituted:—

Every person who is a non-official and is qualified as an elector in any constituency under the rules published with Notification No. P. 2397 -Legis. 12-23-4, dated the 7th November 1923, and further amended by subsequent notifications, shall be eligible to stand for election provided that—

(i) the person standing for election to represent the special interest of Mysore University shall be a member of the Senate;

(ii) such person is not a member of the Mysore Legislative Council and has not made the oath or affirmation as such member.

N. B.—The second proviso does not apply to candidates standing for general elections.

No. Rl. 677—R. A. 27-36-2, Bangalore, dated 18th January 1937.

In exercise of the powers vested in them under Sections 6 and 12 of the Mysore Representative Assembly Regulation, XVIII of 1923, respectively, the Government of His Highness the Maharaja are pleased to direct that the following two sub-rules be inserted under Rule 25 (iv) as sub-rules (7-a) and (7-b) of the Rules of Business (Part VII, Interpellations) issued with Notification No. P. 3039—Legis. 12-23-9, dated the 8th December 1923 :—

7-A. It shall not bring in any matter not strictly necessary to make the question intelligible.

7-B. It shall not relate to subjects relating to or within the competence of a local authority or a private company.

No. Rl. 678—R. A. 27-36-3, dated Bangalore, 18th January 1937.

In exercise of the powers vested in them under Section 6 of the Mysore Representative Assembly Regulation, XVIII of 1923, the Government of His Highness the Maharaja are pleased to amend Rule No. 21 issued with Notification No. 527—R. A. 38-29-1, dated the 6th January 1930, as regards the conduct of elections to the Representative Assembly, as follows :—

"21. If any person is elected either by more than one constituency of the Representative Assembly or is elected by a constituency of the Representative Assembly as a member thereof, and a constituency of the Legislative Council, as a member thereof, he shall, by notice in writing signed by him and delivered to the Secretary to Government, Law Department, within seven days from

the date of publication of the results of such elections in the Gazette, choose for which one of those constituencies or bodies he shall serve and the choice shall be final."

No. Rl. 679—R. A. 27-36-4, Bangalore, dated 18th January 1937.

In exercise of the powers vested in them under Section 6 (2) (a) of the Mysore Representative Assembly Regulation, XVIII of 1923, the Government of His Highness the Maharaja are pleased to amend Rule 3 of the rules issued with Notification No. P. 3867—Legis. 12-23-15, dated the 11th January 1924, as regards the filling up of casual vacancies as follows:—

In the first sentence of Rule 3, the words "his leaving the State with the intention of being absent for more than six months at a time" shall be substituted for the words "absence from the State" occurring therein.

The rule as revised will read thus:—

"3. If any vacancy occurs in the case of an elected member by reason of his election being declared void or by reason of his leaving the State with the intention of being absent for more than six months at a time, death, acceptance of office or resignation duly accepted by Government or by reason of his ceasing to be a member of the original body which elected him, the Government shall, by notification in the Official Gazette, call upon the constituency concerned to elect a person to fill up such vacancy within such time as may be prescribed by the Government for the purpose. If a vacancy occurs in the case of a nominated member, the Government shall nominate to the vacancy a person having the necessary qualifications.

No. Rl. 680—R. A. 27-36-5, dated Bangalore, 18th January 1937.

In exercise of the powers vested in them under Section 12 of the Mysore Representative Assembly Regulation, XVIII of 1923, the Government of His

Highness the Maharaja are pleased to insert the following new rule as Rule 44-A. under Rule 44 in Part IX (Representations) of the rules, issued with Notification No. P. 3039—Legis. 12-23-9, dated the 8th December 1923, as regards the admission of Representations :—

"44-A. *Disallowance.*—When a representation has been disallowed or withdrawn with the leave of the Assembly or has been discussed in the Assembly and the opinion of the Government has been given thereon, no representation raising substantially the same question shall be moved within one year."

No. R. 2969—*L. R.* 209-36-3, *dated Bangalore, the* 19*th January* 1937.

In exercise of the powers conferred by Section 10 of the Land Improvement Loan Regulation No. IV of 1890, the Government of His Highness the Maharaja are pleased to issue the following amendments to Rule XIII of the Rules under the said Regulation and to para 2 (c) (iii) of Form No. VIII annexed to the Rules.

In Rule XIII between the words "conditions on which it was made" and "he may" insert the words "or has applied to be adjudicated, or has been adjudicated, a bankrupt or an insolvent".

In para 2 (c) iii of Form No. VIII between the words "recovery cannot otherwise be made" and "the entire unpaid balance" insert the words "or if the borrower applies to be adjudicated, or is adjudicated, a bankrupt or an insolvent".

The first sentence in Rule XIII and the para in the order Form as amended will read as follows :—

Rule XIII.—If at any time the Deputy Commissioner, or other officer granting the loan, is satisfied that any person who has received a loan has failed to perform any of the conditions on which it was made, or has applied to be adjudicated or has been adjudicated, a bankrupt or an insolvent, he may, after recording in writing the grounds of his decision, proceed to recover forthwith from such persons or any surety of such person any sums which

remain due, together with any interest payable thereon, and costs, as arrears of land revenue :

FORM No. VIII.

* * * *

2 (c) (iii) If default in the payment of annual instalment on account of the loan occurs and recovery cannot otherwise be made, or if the borrower applies to be adjudicated, or is adjudicated, a bankrupt or an insolvent, the entire unpaid balance of the loan or such portion of it as the Deputy Commissioner may determine shall be deemed to become due at once and the whole of the land specified under condition (d) or such portion of it as the Deputy Commissioner may deem necessary shall be sold for the recovery of the amount with interest thereon and expenses of sale, if any.

By Order,

B. T. KESAVIENGAR,

Offg. *Chief Secretary to Government.*

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BANGALORE, THURSDAY, JANUARY 28, 1937.

PART IV.

Legislative measures and Rules thereunder.

NOTIFICATION.

No. T. 962—*R. T.* 36-36-3, *dated Bangalore,* 18—19*th January* 1937.

In exercise of the powers conferred upon them under Section 9 (4) and Section 33 of the Mysore Road Traffic and Taxes Regulation No. VI of 1935, the Government of His Highness the Maharaja are pleased to issue the following rules under the above Regulation, the draft rules in this behalf having been notified with Notification No. P. 3954—R. T. 36-36-2 dated 18th—21st December 1936, published at pages 481-482, of Part IV of the *Mysore Gazette*, dated 24th December 1936:

Rule regarding remission or refund of tolls, taxes and cesses levied under the Regulation :—

(1) Except where otherwise specified under the rules, all applications for remission or refund of tolls, taxes and cesses levied under the Regulation shall be

made not later than one calendar month from the date of the expiry of the period for which the toll, the tax or the cess has been paid.

(2) For remission or refund of any amount paid under the Regulation as tolls, taxes, cess or for any other claim in respect of these, the period of limitation shall be one year from the date of the payment of the said tax, toll or cess.

By Order,

M. VENKATESA IYENGAR,

Secretary to Government,

General Department.

Printed by the Superintendent at the Government Press, Bangalore.

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BANGALORE, THURSDAY, FEBRUARY 4, 1937.

PART IV.

Legislative measures and Rules thereunder.

NOTIFICATIONS.

No. Rl. 782—L. C. 12-36-1, dated Bangalore, 1st February 1937.

In exercise of the powers vested in them under Section 8 (1) of the Mysore Legislative Council Regulation, XIX of 1923, the Government of His Highness the Maharaja are pleased to convey their assent to the following alterations made by the Legislative Council in the Standing Orders issued with Notification No. P. 4349—Legis. 13-23-24, dated 5th February 1924, as amended by Notification No. 407—L. C. 4-25-2, dated 3rd April 1926.

1. Insert the following as Standing Orders Nos. 84 (A) and 84 (B) and re-number the existing Standing Order 84 (A) as 84 (C) :—

84 (A): The foregoing Standing Orders, *viz.*, Nos. 13 (4) and 78 to 84, both inclusive, shall apply to starred questions only.

84 (B): Printed answers to unstarred questions shall also be included in the printed proceedings of the Council.

2. Substitute the following as Standing Order 84 (D) for the present Standing Order 84 (B) :—

84 (D) (1) A member giving notice of more than one resolution shall number his resolutions in the order in which he desires to move them; provided that he may alter such order at any time within the period of notice, intimation being given to the Secretary.

(2) The Secretary will keep a numbered list and will enter the name of each member who has given notice of a resolution upon that list;

(3) On the eighth day previous to the commencement of the Session, a ballot will be held before the Secretary, at which any member who wishes to attend may do so;

(4) Papers with numbers corresponding to those against which entries have been made on the numbered list will be placed in a box.

(5) A clerk will take out at hazard from the box one of the papers and the Secretary will call out from the list the corresponding name, which will then be entered on a priority list. This procedure will be carried out till all the numbers have been drawn.

(6) Priority on the list will entitle the member to priority in moving that resolution to which he himself has given priority under clause (1) above; provided that if a resolution to which priority is given under clause (1) is disallowed, the next resolution standing in the member's name may be moved in its place.

(7) Priority on the list shall also entitle a member to priority in respect of the subsequent resolutions; provided that after a member has moved a resolution, he shall not move another resolution until every other member has had an

opportunity of moving a resolution standing in his name in the list of business.

3. Substitute the following for Standing Order No. 92 :—

Notice of amendments to be moved to resolutions shall be given in writing to the Secretary at least three days previous to the date fixed for a meeting of the Council.

By Order,
B. T. KESAVIENGAR,
Offg. *Chief Secretary to Government.*

No. T. 1057—R. T. 43-36-2, dated Bangalore, the 27th January 1937.

In virtue of the powers vested in them under Sections 14 and 15 of the Mysore Road Traffic and Taxes Regulation No. VI of 1935, the Government of His Highness the Maharaja are pleased to direct that the check gate ordered to be established in the vicinity of Banavar on the Banavar-Belur Road under Notification No. P. 7618—Legis. 46-35-37, dated 16th May 1936, be shifted to the $\frac{7}{114}$th mile on the Bangalore-Honnawar Road.

No. P. 4752—Law 68-36-7, dated Bangalore, 30th January—1st February 1937.

In exercise of the powers conferred by the proviso to Section 4 of the Mysore Small Cause Courts Regulation 1911, the Government of His Highness the Maharaja are pleased to direct that the following item shall be added as item No. 23 in Schedule I to the said Regulation, *viz.*,

'23. A suit for the value of electrical energy supplied.'

No. T. 1083—R. T. 38-36-5, dated Bangalore, 2nd February 1937.

In exercise of the powers conferred on them under Section 11 oft he Mysore Motor Vehicles Regulation, 1928, the Government of His Highness the Maharaja are pleased to issue the following amendment to the rules regarding Public Service Motor Vehicles issued with Notification No. P. 3992—Legis. 46-35, dated 18th December 1935, the draft rule in the said behalf having already been notified with No. T. 866—R. T. 38-36-4, dated 7th January 1937, at page 5 of Part IV of the *Mysore Gazette* dated 14th January 1937.

Amendment.

Add the words "Khaki shirts or" between the words "Shorts and" and "Khaki" in the first line against Drivers in Rule 44 of the abovesaid rules.

After amendment, the rule would read as follows :—

"*Drivers* :—Khaki trousers or shorts and khaki shirts or khaki closed coats with five buttons and a cap or a turban or a hat."

By Order,

M. VENKATESA IYENGAR,
Secretary to Government,
General Department.

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BANGALORE, THURSDAY, FEBRUARY 11, 1937.

PART IV.

Legislative measures and Rules thereunder.

NOTIFICATIONS.

No. Fl. 5118—Ex. 66-36-2, Dated Bangalore, the 4—5th February 1937.

Government are pleased to direct that the following be substituted for Section II "specification of pyridine bases" under Appendix 1 to the Denatured Spirits Rules as amended in Government Notification No. Fl. 4456—Ex. 103-31-8, dated 11th February 1933.

SPECIFICATION OF PYRIDINE BASES.

1. *Colour.*—The colour must not ordinarily be darker than that given by 2 c. c. of deci-normal iodine solution dissolved in one litre of distilled water.

2. *Mixibility with water.*—The pyridine bases should mix readily and completely with spirit and should give a clear or only slightly opalescent solution when mixed with twice their volume of water.

3. *Amount of water present.*—From 20 c.c. of the pyridine bases mixed with 20 c.c. of caustic soda solution (density 1·4) at least 18·5 c.c. of the bases should separate after having been repeatedly shaken together and allowed to stand.

4. *Titration.*—Dissolve 1 c. c. of the pyridine bases in 9·5 c. c. of distilled water. Titrate with normal sulphuric acid until a drop of the mixture gives a definite blue spot on congo-red paper (the blue colour should at once disappear). At least 9·5 c. c. of the normal sulphuric acid should be required to produce this reaction. (To prepare the congo-red paper, dissolve one gram of congo-red in one litre of distilled water. Soak filter paper in this and then dry).

5. *Cadmium chloride reaction.*—Vigorously shake together 10 c. c. of a solution of 1 c. c. of pyridine bases in 100 c. c. of distilled water with 5 c. c. of a five per cent solution of dry fused cadmium chloride. A distinct crystalline precipitate should immediately result, and there should be an abundant separation of crystals within ten minutes.

5. (*a*) Another 10 c.c. of the above one per cent aqueous solution should give a white precipitate when mixed with 5 c.c. of Nessler's reagent.

6. *Boiling point.*—Distil 100 c.c. of the pyridine bases in the manner described below. At least 50 c.c. should distil over, at or under 140°C and a total of 90 c.c. at or under 160°C.

Method.—One hundred cubic centimetres of pyridine bases are placed in a short-necked copper flask of about 200 c.c. capacity. The flask is arranged on an asbestos card which has a circular hold of 30 m.m. diameter cut in it. To the flask is attached a fractionating column (consisting of a tube 13 m.m. wide and 170 m.m. long, provided with one bulb) of which the side tube (issuing 1 c.m. above the bulb) joins a Liebig's condenser of which the cooled part is at least 400 m.m. long. A standard thermometer is placed in the head of the column so that its bulb occupies the centre of the bulb of the column.

The speed of distillation is adjusted to 5 c.c. per minute, the distillate being received in a graduated glass cylinder. At least 50 c.c. should distil over, at or under 140°C and 90 c.c. at or under 160°C at a barometric pressure of 760 m.m.

If the barometer varies from 760 m.m. a correction of 1°C for each 30 m.m. of variation should be applied (*e.g.*, under 770 m.m. of pressure 50 c.c. of distillate should come over, at or under 140·3°C whilst under 750 m.m. the same amount of distillate should come over at 139·7°C).

Note.—Pyridine proper is a single definite compound (C_5H_5N) boiling at about 116°C. "Pyridine Bases" are mixtures of pyridine with closely allied compounds, boiling at various temperatures. They are cheaper and more effective denaturants than the pure pyridine.

No. T. 1120—R. T. 13-36-24, Dated Bangalore, 4—5th February 1937.

Refund of taxes paid on motor vehicles.

In exercise of the powers vested in them under Sub-Section 4 of Section 9 of the Mysore Road Traffic and Taxes Regulation No. VI of 1935, the Government of His Highness the Maharaja of Mysore are pleased to direct that the following sub-clauses (v), (vi), and (vii) be added to Rule 24 of the Mysore Motor Vehicles Tax Rules, Part I, published under Notification No. P. 3812—Legis. 46-5, dated the 11th December 1935, the existing sub-clauses (a) to (d) being renumbered as (i) to (iv) respectively :—

or (v) the vehicle not being in a condition to be used on the road due to being mechanically disabled ;

NOTE.—This will not apply to cases wherein a vehicle cannot be or is not used due to some voluntary action on the part of the owner of the vehicle ;

or (vi) the vehicle not being used on the road due to the pendency of the application for a permit required under the rules before, or a refusal thereof by, the authority empowered to grant permits ;

NOTE.—This does not apply to cases in which the person in charge of the vehicle has delayed in applying for or fails to apply in time for permits as required by rules ;

or (vii) the vehicle becoming derelict or unfit for further use in the course of the quarter, the registration whereof has been duly cancelled by the Registering Authority.

By Order,
M. VENKATESA IYENGAR,
Secretary to Government,
General Department.

Order No. P. 4894—*Legis.* 32-36-1, *dated Bangalore, the* 8—9*th February* 1937.

Ordered that the accompanying Regulation to amend the Mysore Religious and Charitable Institutions Regulation which received the assent of His Highness the Maharaja on the second day of February 1937 be published as Regulation No. I of 1937, in the *Mysore Gazette*, for general information.

M. VENKATESA IYENGAR,
Secretary to Government,
General Department.

REGULATION No. I OF 1937.

(Received the assent of His Highness the Maharaja on the second day of February 1937.)

Regulation to amend the Mysore Religious and Charitable Institutions Regulation VII of 1927.

Whereas it is expedient to amend the Mysore Religious and Charitable Institutions Regulation VII of 1927; It is hereby enacted as follows:—

1. Add the following as a further proviso at the end of Section 25:

"Provided further that on the cessation of such management the Government may, while giving back the management of the property, impose such restrictions for such period as the Government may deem fit, in the interest of the Institution."

2. Insert the following as Section 40 B after 40 A of the said Regulation:—

"No suit or other proceeding shall lie against any person for anything done or intended to be done, in good faith under this Regulation or under any rule made thereunder."

MIRZA M. ISMAIL,
Dewan.

Order No. P. 4906—Legis. 32-36-1, dated Bangalore, the 9th February 1937.

Ordered that the accompanying Regulation further to amend the Mysore Agriculturists' Relief Regulation which received the assent of His Highness the Maharaja on the second day of February 1937, be published as Regulation No. II of 1937 in the *Mysore Gazette*, for general information.

M. VENKATESA IYENGAR,
Secretary to Government,
General Department.

REGULATION No. II OF 1937.

(Received the assent of His Highness the Maharaja on the second day of February 1937.)

Regulation further to amend the Mysore Agriculturists' Relief Regulation.

Whereas it is expedient to further amend the Mysore Agriculturists' Relief Regulation, 1928; It is hereby enacted as follows :—

After Sub-section (1) of Section 4 of the Mysore Agriculturists' Relief Regulation, 1928, the following new Sub-section shall be inserted, namely—

"(1-A) Notwithstanding anything to the contrary contained in this Regulation, the question as to the status of a party as an agriculturist shall be raised at the earliest possible opportunity in suits filed after 30th April 1937."

MIRZA M. ISMAIL,
Dewan.

No. T. 1159—*R. T.* 38-36-6, *dated Bangalore, the 9th February* 1937.

Refund of Taxes.

In exercise of powers conferred by sub-section (4) of section 9 of the Mysore Road Traffic and Taxes Regulation No. VI of 1935, the Government of His Highness the Maharaja are pleased to issue the following amendment to item No. (iii) of Rule 23 of the Mysore Motor Vehicles Tax Rules, Part I, published under Notification No. P. 3896—Legis. 46-35, dated 16th December 1935.—

Substitute "3/10ths" for "2/5ths" occurring in the last column under "Amount to be refunded."

The item referred to above will, after this amendment, read as follows :—

"(iii)	do for periods not less than one calendar month and less than two complete calendar months during the quarter."	3/10ths of the tax paid.

By Order,

M. VENKATESA IYENGAR,
Secretary to Government,
General Department.

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BANGALORE, THURSDAY, FEBRUARY 18, 1937.

PART IV.

Legislative measures and Rules thereunder.

NOTIFICATION.

No. Fl. 5337—Ex. 73-36-2, Dated Bangalore, 15—16th February 1937.

Under Section 17, clause (a) of the Mysore Excise Regulation, V of 1901 and in exercise of all other powers enabling them in this behalf, the Government of His Highness the Maharaja of Mysore direct that the rate of duty to be levied from 1st July 1937 on country beer imported into the State shall be ten annas per gallon.

By Order,

M. VENKATESA IYENGAR,

Secretary to Government,

General Department.

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BANGALORE, THURSDAY, FEBRUARY 25, 1937.

PART IV.

Legislative measures and Rules thereunder.

NOTIFICATIONS.

Order No. P. 4962—Legis. 34-36-1, dated, Bangalore, 11th February 1937.

Ordered that the accompanying Regulation to regulate the employment of women in factories sometime before and sometime after confinement and to provide for the payment of maternity benefit to them, which received the assent of His Highness the Maharaja, on the fourth day of February 1937, be published as Regulation No. III of 1937 in the *Mysore Gazette* for general information.

By Order,

M. VENKATESA IYENGAR,

Secretary to Government,
General Department.

REGULATION No. III OF 1937.

(Received the assent of His Highness the Maharaja on the fourth day of February 1937.)

Regulation to regulate the Employment of Women in Factories sometime before and sometime after Confinement and to provide for the Payment of Maternity Benefit to them.

Whereas it is expedient to regulate the employment of women in factories sometime before and sometime after confinement and to provide for the payment of maternity benefit to them in the manner hereinafter provided: It is hereby enacted as follows:—

Short title.

1. This Regulation may be called the Mysore Maternity Benefit Regulation, 1937.

Extent and operation.

2. (1) It extends to the whole of Mysore.

(2) It shall come into operation on the first day of April 1937.

Definitions.

3. In this Regulation, unless there is anything repugnant in the subject or context—

(*a*) "Employer" includes an occupier of a factory as defined in the Mysore Factories Regulation, 1936, and the manager of a factory.

(*b*) The expressions "factory," "Inspector of Factories" and "Worker" shall have the same meanings as are respectively assigned to them under the Mysore Factories Regulation, 1936.

(*c*) "Maternity benefit" means the amount of money payable under the provisions of this Regulation to a woman worker in a factory.

(*d*) "Wages" includes the money value of any earned grain concession, and any money paid to cover high cost of living but does not include a bonus given for regular attendance, or any deduction or payment made on account of fines."

Employment of or work by women in factories prohibited during certain period.

4. After this Regulation comes into operation,

(1) no employer shall knowingly employ a woman in any factory during the four weeks immediately following the day of her delivery; and

(2) no woman shall work in any factory during the four weeks immediately following the day of her delivery.

Right to payment of maternity benefit.

5. (1) Subject to the provisions of this Regulation every woman employed in a factory shall be entitled to the payment of maternity benefit at the rate of her average daily wage calculated to the nearest quarter of an anna on the total wages earned during a period of three months immediately preceding the date on which she gives notice under sub-section (1) of section 6 or at the rate of eight annas a day, whichever is less, for the actual days of her absence for the period immediately preceding her confinement and for the four weeks immediately following her confinement as mentioned in sub-section (2):

Provided that a woman shall not be entitled to maternity benefit unless she has been employed in the factory of the employer from whom she claims maternity benefit for a period of not less than nine months immediately preceding the date on which she gives notice under sub-section (1) of section 6.

(2) The maximum period for which any woman shall be entitled to the payment of maternity benefit shall be eight weeks, that is to say, four weeks up to and including the day of her delivery and four weeks immediately following that day. If a woman dies during this period the maternity benefit shall be payable only for the days up to and including the day of her death.

Procedure regarding payment of maternity benefit.

6. (1) Any woman employed in a factory and entitled to maternity benefit under the provisions of this Regulation, who is pregnant may, on any day, give notice in writing to her employer stating that she expects to be confined within one month next following, that her maternity benefit may be paid to her, and that she will not work in any employment during the period for which she receives maternity benefit.

(2) The employer shall thereupon permit such woman to absent herself from the factory from the following day until four weeks after the day of her delivery.

(3) Maternity benefit shall be paid by the employer to the woman entitled thereto after taking her wishes into consideration in any one of the following three ways, namely:—

(i) for four weeks—within forty-eight hours of the production of a certificate signed by a registered medical practitioner certifying that the woman is expected

to be confined within one month next following, and for the remainder of the total period for which she is entitled to maternity benefit under sub-section (2) of section 5—within forty-eight hours of the production of a certified extract from a birth register stating that the woman has given birth to a child; or

(ii) for the period up to and including the day of delivery—within forty-eight hours of the production of a certified extract from a birth register stating that the woman has given birth to a child, and for the remainder of the total period for which she is entitled to maternity benefit under sub-section (2) of section 5—punctually four weeks after the production of such certified extract from a birth register; or

(iii) for the entire period for which the woman is entitled to maternity benefit under sub-section (2) of section 5—within forty-eight hours of the production, within six weeks of her delivery, of a certified extract from a birth register stating that she has given birth to a child;

Provided that no woman shall be entitled to any maternity benefit or any part thereof, the payment of which is dependent upon the production of a certified extract from a birth register under the provisions of this sub-section unless such extract has been produced within six months of the day of her delivery.

Payment of maternity benefit in case of a woman's death.

7. If a women entitled to maternity benefit under this Regulation dies during the period for which she is entitled to maternity benefit, the employer shall pay the amount of maternity benefit due, if the newly-born child survives her, to the person who undertakes the care of the child; and if the child does not survive her to her legal representative.

No notice of dismissal to be given to a woman during period of maternity benefit.

8. (1) When a woman absents herself from work in accordance with the provisions of this Regulation, it shall not be lawful for her employer to give her notice of dismissal during such absence or on such a day that the notice will expire during such absence.

(2) (*a*) No notice of dismissal given without sufficient cause by an employer to a woman worker within a period of three months before her confinement shall have the effect of depriving her of any maternity benefit to which but for such notice she would have been, or would on or

before the date of her confinement have become, entitled under this Regulation.

(*b*) If any question arises as to whether any notice of dismissal given under clause (*a*) was or was not given for sufficient cause, it shall be referred to the Inspector of Factories whose decision shall be final.

(*c*) The provisions of this sub-section shall not apply to notices falling under sub-section (1).

Forfeiture of maternity benefit.

9. If a woman works in any factory after she has been permitted by her employer to absent herself under the provisions of section 6, she shall forfeit her claim to the payment of the maternity benefit to which she is entitled.

Penalty for contravention of the Regulation by an employer.

10. If any employer contravenes the provisions of this Regulation he shall, on conviction, be liable to a fine which may extend to five hundred rupees.

Penalty for contravention of the Regulation by a woman.

11. If any woman works in any factory within four weeks of the date of her delivery, she shall be liable, on conviction, to a fine not exceeding ten rupees.

Cognisance of offences.

12. (1) No prosecution under this Regulation shall be instituted except by or with the previous sanction of the Inspector of Factories.

(2) No court inferior to that of a Magistrate of the First Class shall try any offence against this Regulation or any rules thereunder.

Limitation of prosecution.

13. No court shall take cognisance of any offence against this Regulation or any rule thereunder unless complaint thereof is made within six months of the date on which the offence is alleged to have been committed.

Rules.

14. (1) The Government may make rules for the purpose of carrying into effect the provisions of this Regulation.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for,—

(*a*) the preparation and maintenance of a muster roll or register or a combined muster roll and register and the particulars to be entered in such muster roll, register or combined muster roll and register or in the register kept or deemed to have been kept under section 41 of the Mysore Factories Regulation, 1936;

(*b*) the inspection of factories for the purposes of this Regulation by Inspectors of Factories;

(*c*) the exercise of powers and the performance of duties by Inspectors of Factories for the purposes of this Regulation;

(*d*) the method of payment of maternity benefit in so far as provision has not been made in this Regulation; and

(*e*) any other matter for which no provision has been made in this Regulation and for which provision is, in the opinion of the Government, necessary.

(3) Any such rule may provide that a contravention thereof shall be punishable with fine which may extend to fifty rupees.

(4) The making of rules under this section shall be subject to the condition of previous publication.

Copies of Regulation and rules thereunder to be exhibited.

15. An abstract of the provisions of this Regulation and the rules thereunder in the vernacular of the workers shall be exhibited in a conspicuous manner by the employer in every part of a factory in which women are employed.

MIRZA M. ISMAIL,
Dewan.

Order No. P. 4969—Legis. 35-36-1, dated Bangalore, the 13th February 1937.

Ordered that the accompanying Regulation for the regulation of Wireless Telegraphy in Mysore which received the assent of His Highness the Maharaja, on the fourth day of February 1937, be published as Regulation No. IV of 1937, in the *Mysore Gazette* for general information.

M. VENKATESA IYENGAR,
Secretary to Government,
General Department.

REGULATION No. IV OF 1937.

(Received the assent of His Highness the Maharaja on the Fourth day of February 1937.)

A Regulation for the regulation of Wireless Telegraphy in Mysore.

Whereas it is expedient to regulate the establishment, maintenance, working and possession of wireless telegraphy apparatus in Mysore; it is hereby enacted as follows:—

Short title, extent and commencement.

1. (1) This Regulation may be called the Mysore Wireless Telegraphy Regulation, 1937.

(2) It extends to the whole of Mysore.

(2) It shall come into force on such date as the Government may by notification in the Official Gazette, appoint.

Definitions.

2. In this Regulation unless there is anything repugnant in the subject or context:—

(1) "Wireless communication" means the making, transmitting or receiving of telegraphic, telephonic or other communications by means of electricity or magnetism without the use of wires or other continuous electrical conductors between the transmitting and the receiving apparatus;

(2) "Wireless telegraphy apparatus" means any apparatus, appliance, instrument or material used or capable of use in wireless communication, and includes

any article determined by rule made under section 13 to be wireless telegraphy apparatus, but does not include any such apparatus, appliance, instrument or material commonly used for other electrical purposes, unless it has been specially designed or adapted for wireless communication or forms part of some apparatus, appliance, instrument or material specially so designed or adapted, nor any article determined by rule made under section 13 not to be wireless telegraphy apparatus; and

(3) "Prescribed" means prescribed by rules made under section 13.

Prohibition of possession of wireless telegraphy apparatus without license.

3. Save as provided by section 4, no person shall establish, maintain, work or possess wireless telegraphy apparatus except under and in accordance with a license issued under this Regulation.

Power of Government to exempt persons from provisions of the Regulation.

4. The Government may by rules made under this Regulation exempt any person or any class of persons from the provisions of this Regulation either generally or subject to prescribed conditions, or in respect of specified wireless telegraphy apparatus.

Licenses

5. (1) The Government may, by notification in the official Gazette, constitute the authority who shall be competent to issue licenses to establish, maintain, work or possess wireless telegraphy apparatus under this Regulation. Such authority may issue licenses in such manner, subject to such restrictions and conditions and subject to such payments, as may be prescribed.

Revocation of Licenses.

(2) The Government or the authority constituted under sub-section (1) may, at any time, revoke any license granted thereunder on the breach of any of the conditions therein contained, or in default of payment of any consideration payable thereunder.

Power for Government to take possession on occurrence of public emergency.

6. (1) On the occurrence of any public emergency, or in the interest of the public safety, the Government or any officer specially authorized in this behalf by the Government, may

(*a*) take temporary possession of any wireless telegraphy apparatus established, maintained, worked or possessed by any person licensed under this Regulation; or

(*b*) order that any wireless communication or class of wireless communications to or from any person or class of persons or relating to any subject shall not be transmitted by any wire-

less telegraphy apparatus or shall be intercepted or detained, or disclosed to the Government or an officer thereof mentioned in the order.

(2) If any doubt arises as to the existence of a public emergency or whether any act done under sub-section (1) was in the interest of the public safety, a certificate signed by a Secretary to he Government shall be conclusive proof on this point.

Penalty for illegal possession.

7. Whoever possesses any wireless telegraphy apparatus in contravention of the provisions of section 3 shall be punished, in the case of the first offence, with fine which may extend to one hundred rupees, and in the case of a second or subsequent offence with fine which may extend to two hundred and fifty rupees.

Pienalty for illegal establishment.

8. Whoever establishes, maintains or works wireless telegraphy apparatus in contravention of the provisions of section 3 shall be punished with fine which may extend to five hundred rupees.

Penalty for breach of condition.

9. If the holder of a license granted under section 3 contravenes any condition contained in his license, he shall be punished with fine which may extend to one thousand rupees and in the case of a second or subsequent offence with fine which may extend to two hundred and fifty rupees.

Power of search.

10. (1) The District Magistrate, or a Magistrate of the First Class or a Magistrate of the Second Class specially empowered by the Government in this behalf, may issue a warrant for the search, at any time between sunrise and sunset, of any building or place in which he has reason to believe that any wireless telegraphy apparatus in respect of which an offence punishable under this Regulation has been committed, is kept or concealed.

(2) The officer to whom a search warrant under sub-section (1) is addressed may enter any building, or place mentioned in the warrant and seize any wireless telegraphy apparatus in respect of which he has reason to believe an offence under this Regulation has been committed.

Confiscation of apparatus.

11. (1) If, in the trial of an offence under this Regulation, the accused is convicted, the Court shall decide whether any apparatus in respect of which an offence has been committed should be confiscated, and, if it so decides, may order confiscation accordingly.

Apparatus confiscated or having no owner to be property of Government.

(2) All wireless telegraphy apparatus confiscated under sub-section (1) and all wireless telegraphy apparatus having no ostensible owner shall be the property of the Government.

Power of court to direct payment of fines to prescribed authority.

12. A Court inflicting a fine as punishment for any offence under this Regulation or rules made thereunder may direct that the amount of the fine or any part of it shall be paid to the prescribed authority to be utilised for the benefit of any Broadcasting Service approved in this behalf by the Government.

Power of Government to make rules.

13. (1) The Government may, by notification in the official Gazette, make rules for the purpose of carrying into effect the provisions of this Regulation.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for—

(*i*) determining that any article or class of articles shall be or shall not be wireless telegraphy apparatus for the purposes of this Regulation;

(ii) the exemption of persons or classes of persons under section 4 from the provisions of this Regulation;

(*iii*) the manner of and the conditions governing the issue, renewal, suspension and cancellation of licenses, the form of licenses, and the payments to be made for the issue and renewal of licenses;

(*iv*) the maintenance of records containing details of the acquisition and disposal by sale or otherwise of wireless telegraphy apparatus possessed by dealers in wireless telegraphy apparatus;

(*v*) the conditions governing the sale of wireless telegraphy apparatus by dealers in and manufacturers of such apparatus; and

(*vi*) constituting the authority referred to in section 5.

(3) In making a rule under this section, the Government may direct that a breach of it shall be punishable with fine which may extend to one hundred rupees.

MIRZA M. ISMAIL,
Dewan.

Order No. P. 4968—Legis. 36-36-1, dated Bangalore, the 13th February 1937.

Ordered that the accompanying Regulation further to amend the Mysore Village Panchayet Regulation, 1926 which received the assent of His Highness the Maharaja on the fourth day of February 1937, be published as Regulation No. V of 1937, in the *Mysore Gazette* for general information.

M. VENKATESA IYENGAR,
Secretary to Government,
General Department.

REGULATION No. V OF 1937.

(Received the assent of His Highness the Maharaja on the 4th day of February 1937.)

Regulation to amend the Mysore Village Panchayet Regulation, 1926.

Preamble.

Whereas it is expedient further to amend the Mysore Village Panchayet Regulation, 1926; It is hereby enacted as follows:—

Addition of section 58 A.

After section 58, the following shall be added as section 58 A:—

"58 A (1). If the circumstances of any village or part of a village are, in the opinion of the Government, such that all or any of the provisions of this Regulation are unsuited thereto, the Government may, by notification in the official Gazette, exempt the village or part of the village from the operation of those provisions and thereupon those provisions shall not apply to the exempted village or part of the village until again applied thereto by a subsequent notification of the Government."

"(2). While any notification under the former part of sub-section (1) of this section is in force, the Government may make rules to provide for any matter dealt with by the provisions of this Regulation for the exempted areas to which the notification applies. Such rules when published in the official Gazette shall have the force of law."

MIRZA M. ISMAIL,
Dewan.

Order No. P. 4986—Legis. 37-36-1, dated Bangalore, 15th February 1937.

Ordered that the accompanying Regulation to make provision for the setting up of Debt Conciliation Boards in Mysore to relieve Agriculturists from indebtedness, which received the assent of His Highness the Maharaja, on the fourth day of February 1937, be published as Regulation No. VI of 1937, in the *Mysore Gazette* for general information.

M. VENKATESA IYENGAR,
Secretary to Government,
General Department.

REGULATION No. VI OF 1937.

(*Received the assent of His Highness the Maharaja on the fourth day of February 1937*).

A Regulation to make provision for the Setting up of Debt Conciliation Boards in Mysore to relieve Agriculturists from Indebtedness.

Preamble.

Whereas it is expedient to relieve agriculturists from indebtedness by amicable settlement between them and their creditors; It is hereby enacted as follows :—

Short title, extent and commencement.

1. (1) This Regulation may be called the Mysore Debt Conciliation Regulation, 1937.

(2) It extends to the whole of Mysore.

(3) It shall come into force in such areas and on such dates as the Government may, by notification in the official Gazette, direct.

Definitions.

2. In this Regulation unless there is anything repugnant in the subject or context:

(*a*) the expressions "holder," "holding," "tenant" and "village" shall have the meaning assigned to them in the Mysore Land Revenue Code, 1888;

(*b*) "agriculture" includes horticulture, the use of land for any purpose of husbandry inclusive of the keeping or breeding of live stock, poultry or bees, sericulture and the growing of fruits, vegetables and the like;

(*c*) "board" means a Debt Conciliation Board established under sub-section (1) of Section 3;

(*d*) "creditor" means a person to whom a debt is owing and includes a co-operative society;

(*e*) "debt" includes all liabilities owing to a creditor, in cash or kind, secured or unsecured, whether payable under a decree or order of a civil court or otherwise, and whether mature or not, but shall not include arrears of wages, land-revenue or anything recoverable as an arrear of land revenue, rent as defined in the Mysore Land Revenue Code, 1888, or any money for the recovery of which a suit is barred by limitation;

(*f*) "debtor" means a person—

(i) who earns his livelihood mainly by agriculture or who is a holder, whether he cultivates the land personally or otherwise; and

(ii) whose debts exceed one hundred rupees.

(*g*) "prescribed" means prescribed by rules made under this Regulation;

(*h*) "secured debt" includes mortgage debt or any debt for which there is security, lien or charge on immovable property created by deed, statute or otherwise;

(*i*) "secured creditor" means a creditor who holds for his debt a security by way of mortgage, lien or charge on immovable property created by a deed, statute or otherwise.

Establishment of Debt Conciliation Boards.

3. (1) The Government may establish a Debt Conciliation Board for any district or part of a district. Such board shall consist of a Chairman and two members appointed by the Government which may, for reasons to be recorded in writing, cancel any appointment or dissolve any board.

(2) The Chairman and every member of a board so established shall be appointed for a term not exceeding three years. Such Chairman or member may, on the expiration of the period for which he has been appointed, be again appointed for a futher term not exceeding three years.

(3) A board shall have such quorum as may be prescribed.

(4) Where the Chairman and members of a board are unable to agree, the opinion of the majority shall prevail. Where the board is equally divided, the Chairman shall have a casting vote.

(5) When a board is dissolved or otherwise ceases to exist, the Government may, at any time establish another board for the area for which the former board was established and may declare the board newly established to be the successor in office of the board which has ceased to exist and such board shall exercise all the powers under the Regulation.

Application for settlement between debtor and his creditors.

4. (1) A debtor may make an application for the settlement of his debts to the board established for the local area within which he ordinarily resides, or if no board has been established for that local area, to the board established for any local area in which he holds immovable property, if any, but he shall not apply to more than one board.

(2) Unless the debtor has already made an application under sub-section (1), any of his creditors may make an application to a board to which the debtor might have applied under that sub-section.

(3) If applications for the settlement of the debts of the same debtor are made to more than one board, such applications shall, in accordance with rules made under this Regulation, be transferred to and dealt with by one board as one single application.

Verification of application.

5. Every application to a board shall be in writing and shall be signed and verified in the manner prescribed by the Code of Civil Procedure, 1911, for signing and verifying plaints.

Particulars to be stated in application.

6. (1) Every application made by a debtor to a board shall contain the following particulars, namely:—

(*a*) a statement that the debtor is unable to pay his debts;

(*b*) the place where he resides;

(*c*) the amount and particulars of all claims against him together with the names and residences of his creditors and, in the case of a creditor who is a minor or a lunatic, the name of his guardian or the person in whose charge the property of such creditor is, so far as they are known to, or can, by the exercise of reasonable care and diligence, be ascertained by him; and

(*d*) particulars of the debtor's property, both movable and immovable (including claims due to him), a specification of the value

thereof and of the places where the same may be found and details of any mortgage, lien or charge subsisting thereon.

(2) Every application made by a creditor shall contain the following particulars, namely:—

(*a*) the place where the debtor resides; and

(*b*) the amount and particulars of his claim against such debtor.

Rejection of application.

7. The application shall be rejected if it does not comply with any of the requirements mentioned in sections 5 and 6.

The rejection of an application under this section shall not preclude the applicant from making a fresh application.

Procedure on application.

8. (1) On receipt of an application under section 4, the board shall unless it rejects the application under section 7 pass an order fixing a date and place for hearing the application.

(2) Notice of the order under sub-section (1) shall be sent by registered post to the debtor and creditors.

(3) If the application is made by a creditor, the debtor shall, on his appearance, furnish the particulars mentioned in sub-section (1) of section 6 and notice shall be sent to all the creditors specified by him.

Dismissal of application.

9. An application under section 4 may be dismissed by the board at any stage of the proceedings:

(*a*) if, for reasons to be stated in writing, the board does not consider it desirable or practicable to effect a settlement of debts; or

(*b*) if, in the opinion of the board, the applicant fails to pursue his application with due diligence.

Provided that, when such applicant is a creditor, the board, instead of dismissing such application, may substitute the debtor or any other creditor, who shall thereafter be deemed to be the applicant for the purposes of this Regulation; or

(*c*) if the application includes a claim which, in the opinion of the board, is collusive and intended to defraud any creditor.

Notice calling upon creditors to submit statements of debts.

10. (1) If, after examining the debtor, it is in the opinion of the board desirable to attempt to effect a settlement between him and his creditors, a notice shall be issued and served or published in the manner prescribed,

calling upon every creditor of the debtor to submit a statement of debts owed to such creditor by the debtor. Such statement shall be in writing and shall be signed and verified in the manner prescribed by the Code of Civil Procedure, 1911, for signing and verifying claims and shall be submitted to the board within two months from the date of service or publication of the notice as the case may be:

Provided that, if the board is satisfied that any creditor was, for good and sufficient cause, unable to comply with such directions, it may extent the period for the submission of his statement of the debt owed to him.

(2) Every debt of which a statement is not submitted to the board in compliance with the provisions of sub-section (1) shall be deemed for all purposes and all occasions to have been duly discharged:

Provided that, if a creditor proves to the satisfaction of the board or a civil court that the notice was not served on him or that he had no knowledge of the publication thereof or that for some other sufficient reason, he was unable to submit the statement, the board or court may revive the debt, if the creditor files an application in that behalf within two months after he becomes aware of the proceedings taken under this section:

Provided further, that a creditor shall not be entitled to apply under this sub-section to the board and to a civil court simultaneously or to apply to either the board or a civil court after having applied to the other.

Procedure on submission of statement of debts.

11. (1) Every creditor submitting a statement of the debts owed to him in compliance with a notice issued under sub-section (1) of section 10 shall furnish, along with such statement full particulars of all such debts and shall at the same time produce all documents, including entries in books of account on which he relies to support his claims, together with a true copy of every such document.

(2) The board shall, after marking for the purpose of identification every original document so produced and verifying the correctness of the copy, retain the copy and return the original to the creditor.

(3) If any document which is in the possession or under the control of the creditor is not produced by him as required by sub-section (1), the document shall not be admissible in evidence against the debtor in any suit

brought by the creditor or by any person claiming under him for the recovery of the debt.

Provided that, the board or the court shall have power to excuse for valid reasons any default or delay in producing the document and to grant reasonable time for producing the same in any proceeding pending before it.

Power of board to decide dispute as to the existence or amount of debts or assets.

12. (1) The board shall call upon the debtor and each creditor respectively to explain his case regarding each debt.

(2) If there is a dispute as to the existence or the amount of the debt due to any creditor or the assets of any debtor, the board may decide the matter after taking such evidence as may be adduced by all the parties concerned and such decision shall be binding on all parties in all proceedings before the board:

Provided that a decree of a civil court relating to a debt shall be conclusive evidence as to the existence and amount of the debt.

(3) The board shall prepare a complete schedule of the creditors and of the assets and liabilities of the debtor.

Power of board to require attendance of persons and production of documents.

13. (1) Subject to rules made under this Regulation, a board may exercise all such powers connected with the summoning aad examining of parties and witnesses and with the production of documents as are conferred on a civil court by the Code of Civil Procedure, 1911.

(2) Any person present may be required by a board to furnish any information or to produce any document then and there in his possession or power.

Agreement of amicable settlement, its registration and effect.

14. (1) If the creditors to whom more than 50 per cent of the total amount of the debtor's debts is owing come to an amicable settlement with the debtor, such settlement shall forthwith be reduced to writing in the form of an agreement recording the amounts payable to such creditors and the manner in which and the times at which, they are to be paid. Such agreement, if considered equitable by the board, shall be read out and explained to the parties concerned, and shall be signed or otherwise authenticated by the board and the parties who have agreed to the amicable settlement:

Provided that, when a co-operative society is one of such creditors, no settlement, in so far as it affects the debts owing to such society, shall be valid without the previous approval in writing of the Registrar of Co-operative Societies in Mysore:

Provided further that when a secured creditor does not agree to the settlement, such settlement shall not affect his rights to proceed against the secured property.

(2) An agreement made under sub-section (1) shall, within thirty days from the date of the making thereof, be registered under the Mysore Registration Regulation, 1903, by the chairman of the board in such manner as may be prescribed and it shall then take effect as if it were a decree of a civil court, and be executable as such.

(3) For the purpose of the registration of an agreement under sub-section (2), the chairman of the board shall be deemed to be an officer of Government empowered to execute such agreement within the meaning of section 88 of the Mysore Registration Regulation, 1903.

(4) If, after the making of an agreement under sub-section (1), any debt is revived by the board or a civil court under sub-section (2) of section 10, the agreement and all proceedings taken in pursuance thereof shall stand cancelled; the application under section 4 shall be deemed to have been received in the office of the board on the date of such revival; and all the provisions of the Regulation shall apply in respect of the application accordingly.

Properties exempt from attachment not to be taken into account.

15. In any scheme of debt conciliation under this Regulation such properties as are exempt from attachment under the Code of Civil Procedure, 1911, shall not be taken into account and shall be left to the judgment-debtor free from any liability for his debts.

Maximum amount allowable in satisfaction of a debt.

16. In any scheme of debt conciliation under this Regulation, no creditor shall be allowed a greater amount in satisfaction of both principal and interest than twice the amount of the principal and if the debt was incurred before the first day of June 1935 twice the amount due on the said date.

Power of board to dismiss application.

17. If no amicable settlement is arrived at under sub-section (1) of section 14 within 12 months from the date of the application under section 4, the board shall dismiss the application.

Recovery of sums due under agreement.

18. (1) If a debtor defaults in paying any amount due in accordance with the terms of an agreement registered under sub-section (2) of section 14, such amount shall be recoverable as an arrear of land revenue on the application of the creditor made to the Deputy Commissioner within ninety days from the date of default,

(2) Where the Deputy Commissioner fails to recover as an arrear of land revenue any part of such amount, he shall certify that it is irrecoverable and thereupon the agreement shall cease to subsist.

(3) Where an agreement ceases to subsist, any amount which was payable under such agreement but has not been paid shall be recoverable as if a decree of a civil court had then been passed for its payment.

Grant of certificate by board in respect of certain debts.

19. (1) Where, during the hearing of any application made under section 4, any creditor refuses to agree to an amicable settlement, the board shall, if it is of opinion that the debtor has made such creditor a fair offer which the creditor ought reasonably to accept, grant the debtor a certificate, in such form as may be prescribed in respect of the debts owed by him to such creditor.

The board, in coming to a decision whether the offer made is fair or not, may take into consideration—

(i) the fall or rise in the value of land and its produce, in the locality;
(ii) the amount of consideration actually received;
(iii) the reasonableness of the rates of interest;
(iv) the onerous condition, if any, subject to which the loan was granted;
(v) whether at any time, the creditor or the debtor was offered settlement of the debt in full or part and if so what the terms were; and
(vi) any other particulars which the board thinks it desirable to take into account.

Power of court to disallow cost or interest.

(2) Where any creditor sues in a civil court for the recovery of a debt in respect of which a certificate has been granted under sub-section (1), the court shall, notwithstanding the provisions of any law for the time being in force, not allow the plaintiff any costs in such suit, or any interest on the debt after the date of such certificate in excess of simple interest at 6 per cent per annum on the principal amount due on the date of such certificate.

Decrees in suit after registration of agreement not to be executed.

(3) Where after the registration of an agreement under sub-section (2) of section 14, any unsecured creditor sues for the recovery of a debt (other than a debt incurred subsequent to such agreement) in respect of which a certificate has been granted under sub-section (1), or any creditor sues for the recovery of a debt incurred after the date of such agreement, any decree passed in such suit

shall, notwithstanding anything contained in the Code of Civil Procedure, 1911, not be executed as against the assets, if any, set apart in the agreement for the satisfaction of the agreed debts until all amounts recorded as payable under such agreement have been paid.

Bar of Civil Suits.

20. No civil court shall entertain—

(a) any suit in respect of—

(i) any matter pending before a board; or

(ii) the validity of any procedure or the legality of any agreement made under this Regulation; or

(iii) the recovery of any debt recorded as wholly or partly payable under an agreement registered under sub-section (2) of section 14 from any person who, as a debt or, was party to such agreement whether such agreement is subsisting or not; or

(iv) the recovery of any debt which has been deemed to have been duly discharged under sub-section (2) of Section 10 except a debt which is revived under the proviso to that sub-section;

(b) any application to execute a decree the execution of which is suspended under sub-section (3) of section 19.

Avoidance of certain transfers of debtor's property.

21. Every transfer of property made, with intent to defeat or delay the creditors of the debtor, after an application has been made to a board under section 4 and until the agreement registered in respect of such application has ceased to subsist, shall be voidable at the option of any creditor so defeated or delayed.

Alienation made with sanction of board not to be considered as a fraudulent preference.

22. Any alienation of land for a fair price made with the sanction of the board in pursuance of or to carry out the agreement mentioned in section 14 shall not be considered as a fraudulent preference under the Mysore Insolvency Regulation, 1925, nor shall such alienation be voidable under section 53 of the Transfer of Property Regulation, 1918.

Bar of appeal or revision.

23. No appeal or application for revision shall lie against any order passed by a board.

Power of board to review its order.

24. A board may, on the application from any person interested made within ninety days of the passing of an order, review any order passed by it and pass such order in reference thereto as it thinks fit.

Provided that, no order shall be varied or reversed unless notice has been given to the persons interested to appear and he heard in support of such order.

Appearance of party before board by agent or by legal practitioner.

25. In any proceedings before a board, any party may appear in person or by an agent authorized in writing or, with the permission of the board, by a legal practitioner.

Suspension of pending application or suit.

26. When an application has been made to a board under section 4, any suit or other proceedings then pending before a civil court in respect of any debt for the settlement of which application has been made shall be suspended until the board has dismissed the application.

Submission of reports by boards regarding sums due to Government.

27. Where in the course of an inquiry into an application made under section 4 a board finds that there is any sum owing to Government on account of loans advanced under the Land Improvement Loans Regulation, 1890 or otherwise, the board shall report this fact through the Deputy Commissioner to the Revenue Commissioner in Mysore.

Computation of period of limitation for suits and proceedings.

28. (1) In calculating the period of limitation for any suit filed in, or, proceedings before, a civil court for the recovery of a debt which was the subject of any proceedings under this Regulation, the time during which such proceedings were pending as well as the time taken for the obtaining of certified copies of the order of the board shall be excluded.

(2) The period during which proceedings under this Regulation have been pending including the actual period fixed in the agreement for payment of all the debts shall, in all suits filed or proceedings taken, in civil courts to recover debts, be excluded from computation under section 48 of the Code of Civil Procedure, 1911, or under the Mysore Limitation Regulation, 1911.

Members of board deemed to be public servants.

29. The members of a board shall be deemed to be public servants within the meaning of the Indian Penal Code as in force in Mysore.

Power to make rules.

30. In addition to any power specially conferred by this Regulation, the Government may make rules not inconsistent with this Regulation—

(*a*) prescribing the quorum for, and regulating the procedure before a board;

(*b*) prescribing the manner in which notices shall be issued and served or published under sub-section (1) of section 10;

(*c*) prescribing the charges to be made by a board for anything done under this Regulation and the persons by whom and the manner in which such charges shall be paid;

(*d*) prescribing the records to be kept and the returns to be made by a board;

(*e*) prescribing the allowances, if any, to be paid to the chairman and members of a board;

(*f*) regulating the power of a board to summon parties and witnesses under section 13 and the grant of expenses to witnesses;

(*g*) prescribing the place at which and the manner in which an agreement shall be registered under sub-section (2) of section 14;

(*h*) prescribing the form of certificate to be granted under sub-section (2) of section 18 or sub-section (1) of section 19; and

(*i*) generally, for the purpose of carrying into effect the provisions of this Regulation.

General provisions regarding rules.

31. (1) All rules made by Government under section 30 shall be subject to the condition of previous publication.

(2) In making any rule, Government may direct that a breach thereof shall be punishable with fine which may extend to fifty rupees, and, where the breach is a continuing one, with further fine which may extend to ten rupees for every day during which the breach continues after the first breach.

MIRZA M. ISMAIL,
Dewan.

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BANGALORE, THURSDAY, MARCH 4, 1937.

PART IV.

Legislative Measures and Rules thereunder.

NOTIFICATIONS.

No. R. 3579—*L. S.* 37-36-2, *dated Bangalore, 27th February* 1937.

Under Section 17 (3) of the Mysore Land Record of Rights Regulation X of 1927, the following amendments to certain rules under the said Regulation are published for the information of the public. Suggestions, if any, from persons affected thereby will be received up to one month from the date of this Notification, after which date this will be taken up for final consideration.

(1) The following Rule will be substituted for Rule 9 and the existing Rule 9 will be renumbered as 9 (a).

Rule 9.—As the preliminary registers are completed and checked, the Shanbhog shall prepare a demand register in respect of each village under the immediate supervision of the Deputy Amildar or other officer appointed for the purpose which will be sent to the Taluk Office for proceeding with the collection of Record of Rights fees after one year as provided in Rule 39 (i) *infra.*

(2) In the third line of Rule 25 insert the word "revised" between the words "a" and "Demand."

In the fourth line of the same Rule, the words "in form No. VI (a)" shall be inserted between the words "Register" and "prepared."

The Rule as revised will read as follows:—

Rule 25.—When forwarding the Index of Lands and Final Record of Rights Registers to the Deputy Commissioner, the District Survey Officer shall forward a revised Demand Register in Form No. VI-A prepared under the immediate supervision of the Deputy Amildar or other Officer appointed for the purpose showing the amount of Record of Rights fees due from each hissedar or right-holder.

3. The following new Rule shall be added as Rule 25 (a) after Rule 25:—

Rule 25 (a).—On receipt of the revised Demand Register, the Taluk Office shall verify the same with the original Demand Register prepared under rule 9 *supra* and make necessary additions or alterations.

By Order,

B. T. KESAVIENGAR,

Offg. *Chief Secretary to Government.*

No. P. 5239—Legis., Bangalore, dated 28th February 1937.

Ordered that the accompanying Regulation to amend the Regulation to provide for the imposition and collection of an Excise Duty on Sugar, 1934, which received the assent of His Highness the Maharaja, on the 28th day of February 1937, be published as Emergency Regulation No. VII of 1937, in the *Mysore Gazette* Extraordinary for general information.

By Order,

M. VENKATESA IYENGAR,

Secretary to Government,

General Department.

EMERGENCY REGULATION VII OF 1937.

(Received the assent of His Highness the Maharaja on the twenty-eighth day of February 1937.)

A Regulation to amend the Sugar (Excise Duty) Regulation, 1934.

Whereas an emergency has arisen which makes it necessary to revise the Excise Duty on sugar; now therefore under Section 12 of the Mysore Legislative Council Regulation, 1923, it is hereby enacted as follows:—

1. (1) This Regulation may be called the Sugar (Excise Duty) Amendment Emergency Regulation, 1937. Short title and commencement.

(2) It shall come into force at once.

2. In Section 3 (2) (ii) of the Sugar (Excise Duty) Regulation, 1934, *for* the words "one rupee and five annas" the words "two rupees" shall be *substituted.* Amendment of Section 3.

MIRZA M. ISMAIL,
Dewan of Mysore.

No. T. 1490—*R.T.* 8-36-15, *Bangalore, dated 1st—2nd March* 1937.

The mutsaddies of the undermentioned frontier toll-gates are appointed Licensing Officers under the Road Traffic and Taxes Regulation, No. VI of 1935, for the purpose of collection of vehicle taxes on motor bicycles and cars only and for the grant of licenses therefor:—

(i) Bisle toll-gate in Hassan District.
(ii) Marnahalli toll-gate in Hassan District.
(iii) Agumbe toll-gate in Shimoga District.
(iv) Talaguppa toll-gate in Shimoga District.

2. The above Licensing Officers are also empowered to collect the composition fee in lieu of tolls in respect of the vehicles specified in para 1 above under Section 20 of the said Regulation and the Rules issued thereunder and to issue tokens therefor.

3. This will take effect on and from the 10th March 1937.

By Order,

M. VENKATESA IYENGAR,

Secretary to Government,
General Department.

Printed by the Superintendent at the Government Press, Bangalore.

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BANGALORE, THURSDAY, MARCH 18, 1937.

PART IV.

Legislative Measures and Rules thereunder.

NOTIFICATIONS.

No. R. 3735—L. R. 208-36-5, dated 10th March 1937.

Addenda and Corrigenda Slip to Rules under the Land Revenue Code.

Under the powers vested in them in Section 233 of the Land Revenue Code and in pursuance of the orders issued in Government Order No. R. 3726-34—L. R. 208-36-4, dated 10th March 1937, Government are pleased to direct that the following be added as an "N. B." to Rule 43 of the Rules under the said Code :—

N. B.—The Sub-Division Officers are empowered to sanction either free or for upset price two acres of dry land to landless members of the depressed classes, when the value of the land does not exceed Rs. 25.

By Order,

B. T. KESAVIENGAR,

Chief Secretary to Government.

No. T. 1545—*R. T.* 38-36-6, *Bangalore, dated 9th March* 1937.

Rate of Tolls on Non-motor vehicles other than those entering the State at Frontier Toll Gates.

The following note which the Government propose to add, after item No. 15 in the schedule published under the above head in Notification No. P. 3158—Legis. 46-35-2, dated 11—12th November 1935, in exercise of the powers conferred upon them under Section 22 of the Road Traffic and Taxation Regulation No. VI of 1935, is hereby published for the information of persons likely to be affected thereby and notice is hereby given that the proposed addition of the note will be taken into consideration on or after the 18th March 1937 and that any suggestions or objections that may be received from any person in respect of the proposed addition of the note within that date will be considered by Government.

"*Note*:—Double the rate of tolls prescribed above shall be levied in the case of carts referred to in items 6, 8, 10, 12 and 14 when such carts are laden with timber."

No. T. 1546—*R. T.* 38-36-5, *Bangalore, dated the 9th March* 1937.

Refund of Taxes.

In exercise of the powers conferred upon them by Sub-Section (4) of Section 9 of the Mysore Road Traffic and Taxes Regulation No. VI of 1935 as amended by Regulation No. IX of 1936, the Government of His Highness the Maharaja are pleased to issue the following amendment to Rule 23 of the Mysore Motor Vehicles Tax Rules, Part I, published under Notification No. P. 3896—Legis. 46-35, dated the 16th December 1935.

AMENDMENT.

Number the existing Rule 23 as Rule 23 (*a*).

Insert the following as Rule 23 (*b*).

"(*b*) The scale of refund in the case of motor bicycles and cars liable to pay vehicle tax will be as follows:—

	Amount to be refunded.
(i) If the vehicle is not in use during the whole half year.	Two-thirds the tax paid.
(ii) If the vehicle is not in use for a period not less than four continuous calendar months during the half year but less than the whole half-year.	Half the tax paid.
(iii) If the vehicle is not in use for periods of not less than three continuous calendar months and more, and less than four complete calendar months during the half year.	One-third the tax paid.
(iv) For periods of less than three calendar months.	No refund.

No. T. 1576—R. T. 43-36-4, Bangalore, dated 10—12th March 1937.

In virtue of the powers vested in them under Sections 14 and 15 of the Mysore Road Traffic and Taxes Regulation No. VI of 1935, the Government of His Highness the Maharaja are pleased to direct that the Hadadi Toll-Gate in the Chitaldrug District be shifted from its present location to a site just in front of the Hadadi village gate pillars.

No. T. 1625—R. T. 13-36-29, dated Bangalore, the 16th March 1937.

Refund of Taxes paid on Motor Vehicles.

In exercise of the powers vested in them under Sub-Section (4) of Section 9 of the Mysore Road Traffic and Taxes Regulation No. VI of 1935, the Government of His

Highness the Maharaja are pleased to direct that the following sub-clause (VIII) be added to Rule 24 (d) of the Mysore Motor Vehicles Tax Rules, Part I, published under Notification No. P. 3812—Legis. 46-5, dated the 11th December 1935:—

"or (VIII) the vehicle being re-registered in the course of the quarter, (the original registration having been previously cancelled) and thus used during only a portion of the quarter."

By Order,

V. VEDAVYASACHARYA,
Secretary to Government,
General Department.

Printed by the Superintendent at the Government Press, Bangalore.

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PART IV.

Legislative Measures and Rules thereunder.

NOTIFICATIONS.

No. P. 5892—*Pol.* 59-36-12, *dated Bangalore, the* 5—6*th April* 1937.

In exercise of the powers conferred by sections 4 and 12 of the Mysore Arms Regulation, VI of 1890, as amended from time to time, the Government of His Highness the Maharaja are pleased to direct that the following further amendment shall be made in the Mysore Arms Rules, 1926, namely :—

In Rule 4 (a) of the said Rules add "asphyxiating poisonous, irritant, or other gases and analogous liquids, materials or devices" after the words "exceeding ten seers" and substitute a comma for the full stop after the word "seers."

In Rule 4 (b) of the said Rules add "asphyxiating poisonous, irritant or other gases and analogous liquids, materials or devices" after the words "exceeding 1 cwt. at any time" and insert a comma after the word "time."

No. R. 4061—*L. S.* 37-36-3, *dated Bangalore, the 1st April* 1937.

Under the powers vested with them in Section 17 (1) of the Mysore Land Record of Rights Regulation X of 1927, the Government of His Highness the Maharaja of Mysore are pleased to order the following amendments to certain Rules under the said Regulation :—

The following Rule will be substituted for Rule 9 and the existing Rule 9 will be renumbered as 9 (*a*).

(1) *Rule* 9.—As the preliminary registers are completed and checked, the Shanbhog shall prepare a demand register in respect of each village under the immediate supervision of the Deputy Amildar or other officer appointed for the purpose, which will be sent to the Taluk Office for proceeding with the collection of Record of Rights fees after one year as provided in Rule 39 (i) infra.

(2) In the third line of Rule 25 insert the word "revised" between the words "a" and "Demand."

In the fourth line of the same Rule the words "in form No. VI (*a*)" shall be inserted between the words "Register" and "prepared."

The Rule as revised will read as follows :—

Rule 25.—When forwarding the Index of Lands and Final Record of Rights Registers to the Deputy Commissioner, the District Survey Officer shall forward a revised *Demand* Register in form No. VIA prepared under the immediate supervision of the Deputy Amildar or other officer appointed for the purpose showing the amount of Record of Rights fees due from each hissedar or right-holder.

3. The following new Rule shall be added as Rule 25(*a*) after Rule 25.

Rule 25*a*.—On receipt of the revised Demand Register the Taluk Office shall verify the same with the original Demand Register prepared under Rule 9 supra and make necessary additions or alterations.

By Order,

B. T. KESAVAIENGAR,
Chief Secretary to Government.

Form No. VI

ಸರ್ವೆನಂಬರವಾರ ಹಿಸ್ಸಾಫೀ ಡಿಮ್ಯ೾ಂಡ್ ರಿಜಿಸ್ಟರ್

ಗ್ರಾಮ ..... ತಾಲ್ಲೂಕು .... ಡಿಸ್ಟ್ರಿಕ್ಟ್

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No. G. 7654—*P. H.* 10-35-17, *dated Bangalore, the* 29*th*—31*st March* 1937.

Under Section 1(2) of the Mysore Prevention of Adulteration Regulation, IX of 1921, as amended by Regulations IV of 1929 and IV of 1930, Government are pleased to extend the provisions of the said Regulations to the Seringapatam Town in respect of milk (cow's and buffalo's), butter and ghee.

No. G. 7657—*P. H.* 10-35-18, *dated Bangalore, the* 29*th*—31*st March* 1937.

Under Section 20 of the Mysore Prevention of Adulteration Regulation, IX of 1921, as amended by Regulations IV of 1929 and IV of 1930, Government propose to make the rules issued in Notification No. G. 2463—San. 61-30-7, dated 22nd September 1931 (annexed hereto) applicable to the Seringapatam Town Municipality. Any objections to this proposal, if made in writing and received on or before 25th April 1937, will be duly considered.

By Order,

V. VEDAVYASACHARYA,

Secretary to Government,
General Department.

Rules under the Mysore Prevention of Adulteration Regulation.

1. In these rules, "Regulation" means the Mysore Prevention of Adulteration Regulation, IX, of 1921.

"Section" means Section of the above Regulation.

Section 3.—

2. The Officer to whom the local executive officer may delegate his powers shall be of the rank of a Health Officer or shall hold the diploma of Public Health. No legal proceedings under the Regulation shall be instituted without the permission in writing of the President or the Commissioner as the case may be.

Section 20 (*b*).—

3. The area within which the local executive officer of a Municipal Council shall exercise powers shall be the Municipal limits of the place.

Section 20 (*c*).—

4. *Cleanliness of Vessels.*—All vessels, receptacles or utensils used for manufacturing or preparing food or containing any food intended for sale shall be cleansed with clean boiling water before and after use and shall be kept in a constant state of cleanliness. In case of food likely to be acted upon by the metal of the vessels, receptacles or utensils in which the food is manufactured, prepared or contained for purposes of sale, precautions shall be taken to prevent such metallic contamination.

Section 20 (*d*).—

5. *How notice of admixture, addition or deficiency shall be given.*—If the vendor of any article intended for food knows that it is admixed with any foreign substance whatsoever or that any component part has been abstracted therefrom, he shall give due notice of such admixture or abstraction by means of distinct and clear labels in Kannada or in any other language likely to be read and understood by the people, affixed conspicuously on each package or receptacle containing the article. Unless the vendor of any food containing an admixture, addition or deficiency, knows of his own knowledge, that the purchaser is able to read and understand the label, he shall give the purchaser the information contained in the label by word of mouth at the time of purchase.

Section 20 (*e*).—

6. The standards of purity prescribed for milk, cream, butter and ghee are follows :—

Milk.—

Cow's milk.—(1) Where a sample of cows's milk (not being sold as skimmed or separated milk) contains less than three per cent of milk fat, it shall be presumed for the purposes of this Regulation, until the contrary be proved, that the milk is not genuine, by reason of the abstraction therefrom of milk fat or the addition thereto of water.

(2) When a sample of cow's milk or any skimmed or separated cow's milk contains less than 8·5 per cent of milk solids other than milk fat, it shall be presumed for the purposes of this Regulation, until the contrary be

proved, that the milk is not genuine by reason of the addition thereto of water.

(3) When a sample of cow's milk whether sold as cow's milk or as skimmed or separated cow's milk contains less than 0·5 per cent of nitrogen, it shall be presumed for the purposes of this Regulation, until the contrary be proved, that the milk is not genuine by reason of the addition thereto of water.

Buffalo milk.—(4) Where a sample of buffalo milk (not being sold as skimmed or separated milk), contains less than 4·5 per cent of milk fat, it shall be presumed for the purposes of this Regulation, until the contrary be proved, that the milk is not genuine by reason of the abstraction therefrom of milk fat or the addition thereto of water.

(5) Where a sample of buffalo milk, whether sold as buffalo milk, or as skimmed or separated buffalo milk, contains less than nine per cent of milk solids other than milk fat, it shall be presumed for the purposes of this Regulation, until the contrary be proved, that the sample is not genuine by reason of the addition thereto of water.

(6) Where a sample of buffalo milk, whether sold as buffalo milk or as skimmed or separated buffalo milk, contains less than 0·53 per cent of nitrogen, it shall be presumed for the purposes of this Regulation until the contrary be proved, that the sample is not genuine, by reason of the addition thereto of water.

N. B.—The minimum limits for nitrogen prescribed above under (3) and (6) are intended to be used in those cases in which a sample of milk when it is analysed, is so far decomposed that an estimation of the proportion of milk solids other than milk fat in the sample before decomposition will be unreliable, the proportion of nitrogen not being appreciably affected by decomposition.

Unspecified milk.—(7) Where a sample of milk, separated milk or skimmed milk is sold or offered for sale or hawked about, without any indication as to whether it is derived from the cow or the buffalo and by comparison with the minimum limits given for the cow's milk in the above, it appears to be adulterated, it shall be presumed for the purposes of this Regulation, until the contrary be proved that the sample is not genuine for the reason given in the above rule or rules which are applicable.

Maximum limit for dirt in milk.—(8) Where a sample of milk, separated or skimmed milk, deposits on

standing for a period of 24 hours or less, an amount of visible sediment exceeding five parts per 100,000 (both milk and sediment being measured by volume), it shall be presumed for the purposes of this Regulation, until the contrary be proved, that the sample is not genuine by reason of its containing an excessive amount of dirt.

Cream.—(9) Where a sample of cream contains less than 20 per cent of milk fat, it shall be presumed for the purposes of this Regulation, until the contrary be proved, that the sample is not genuine.

Butter.—(10) Where the proportion of water in a sample of butter exceeds 20 per cent it shall be presumed for the purposes of this Regulation, until the contrary be proved, that the butter is not genuine by reason of the excessive amount of water therein.

Ghee.—(11) Where the proportion of water in a sample of ghee exceeds one per cent, it shall be presumed for the purposes of this Regulation, until the contrary be proved, that the ghee is not genuine by reason of the excessive amount of water therein.

Section 20 (*f*).—

7. (1) No person shall add water or any dried or condensed milk or any fluid reconstituted therefrom or any skimmed milk or separated milk to milk intended for sale, and no person shall, by himself or by any servant or agent, sell or offer for sale or hawk about any milk to which any such addition has been made.

(2) No person shall abstract any ingredient from milk, without giving due notice of the same, in an unambiguous manner, of the fact of such abstraction therefrom, as prescribed in rules under Section 20 (*d*).

(3) No person either by himself or any servant or agent, shall sell or offer for sale or hawk about as milk, any liquid in the making of which dried milk or condensed milk has been used or to which water or other diluent or adulterant has been added or from which any ingredient has been abstracted, without due notice of the same to the purchaser as prescribed in rule under Section 20 (*d*).

Section 20 (*g*).—

8. Any receptacle containing dried, condensed, skimmed or separated milk shall be labelled with an adhesive label which shall contain the information and be of the size, indicated below. The information shall be in black

type, printed or written in the centre of the label, which shall be of white colour. Nothing else shall be printed or written on the label, except the name of the article. The label shall be clearly visible to the purchaser and shall measure at least 2″×4″ where only Kannada is used or at least 4″×4″ where more than one language is employed.

Section 20 (*h*).—

9. (1) Any person taking a sample of milk for the purposes of this Regulation may add a preservative for the purpose of retaining the sample in a condition convenient for analytical purposes.

(2) The preservative used shall be the liquid commonly known as "formalin" which is a liquid containing about 40 per cent of formaldehyde in aqueous solution.

(3) The amount of preservative added shall be approximately in proportion of one drop of formalin for every 2 oz. of the sample of milk.

(4) Each sample of milk to which formalin has been added by the person taking the sample shall bear a notification on the label to the effect that it has been "artificially preserved."

(5) For the purposes of this rule, milk includes skimmed and separated milk.

10. *Penalty for breach of rules.*—Every manufacturer or dealer or vendor who—(*a*) disobeys, fails to comply with or acts in contravention of the provisions made under Rule 4 herein, in respect of cleanliness of vessels, receptacles or utensils used for manufacturing, preparing or containing any food intended for sale, or (*b*) neglects to affix labels to notify in the manner prescribed, the fact of the admixture of foreign ingredients in the case of adulterated articles of food or abstraction of any component part therefrom of any article of food, or (*c*) fails to give the purchaser in cases mentioned in Rule 5 information contained in such labels by word of mouth at the time of purchase, or (*d*) manufacturer, deals in or sells milk, cream, butter or ghee below the standard prescribed in Rule 6 above shall, on conviction before a magistrate, be punished with a fine not exceeding Rs. 50 and with a fine which may extend to Rs. 50 for every subsequent offence.

No. D. 6469—C. S. 11-36-94, dated Bangalore, 31st March—1st April 1937.

The following amendment proposed to the rules issued under Section 44 of the Mysore Co-operative Societies Regulation of 1918, amended from time to time, is hereby published for general information. Any suggestions for additions, alterations or omissions by persons or bodies likely to be affected by this rule may be forwarded so as to reach the General Secretary to Government within two months from the date of publication of this notification in the *Mysore Gazette*, after which they will be taken into consideration.

Any suggestions received after the due date will not receive consideration.

Substitute the following for the third paragraph of Rule 18:—

The Bonus or Honorarium payable to Secretaries of Co-operative Societies shall not exceed 15 per cent of the net profits remaining after contribution to the Reserve Fund subject to a maximum of Rs. 300 per annum. In cases where the bonus calculated on the above basis falls below Rs. 30, the General Body may, subject to the approval of the Registrar, sanction a bonus not exceeding Rs. 30 whether or not such bonus exceeds 15 per cent of the net profits as hereinbefore mentioned. Where no clerical assistance is given to the Secretary, an additional 5 per cent may be allowed notwithstanding the fact that such addition may make the whole bonus exceed Rs. 300.

By Order,

V. VEDAVYASACHARYA,

Secretary to Government,
General Department.

No. Rl. 970—L. C., dated Bangalore, the 6th April 1937.

Under Rule 8 of the Rules for the conduct of business of the Mysore Legislative Council, the accompanying Bill to amend the Hindu Law is published for general information with the statement of objects and reasons.

By Order,

A. SUNDARARAJA RAO,
Secretary,
Mysore Legislative Council.

Bill to amend the Hindu Law.

Whereas it is expedient to amend the Hindu Law relating to exclusion from inheritance of certain classes of heirs and to remove certain defects; it is hereby enacted as follows:—

Short Title.

1. (1) This Regulation may be called the Hindu Inheritance (Removal of disabilities) Regulation, 193 .

Extent.

(2) It extends to the whole of Mysore.

Persons not to be excluded from inheritance or rights in joint family property.

2. Notwithstanding any rule of Hindu Law or custom to the contrary, no person governed by the Hindu Law, other than a person who is and has been from birth a lunatic or idiot, shall be excluded from inheritance or from any right or share in joint family property by reason only of disease, deformity or physical or mental defect.

Saving and exception.

3. Nothing hereincontained shall affect any right which has accrued or any liability which has been incurred before the commencement of this Regulation, or shall be deemed to confer upon any person any right in respect of any religious office or service or of the management of any religious or charitable trust which he would not have had if this Regulation had not been passed.

STATEMENT OF OBJECTS AND REASONS.

The Hindu Law as at present administered contains provisions excluding from inheritance certain classes of heirs suffering from congenital, physical or mental defects. This rule of exclusion is based on ancient texts and was based probably on the ground that the defects incapacitated the persons from having religious efficacy, Society

has advanced and whatever might have been the reason for the original rule of exclusion, it has lost its force in these modern days of enlightened ideas and has become obsolete. It is therefore considered that it is time that the rule is modified by legislation.

Congenital lunacy or idiocy stand on a different footing. The persons suffering therefrom will be unable to manage the property. The disqualification for inheritance will therefore be kept up in this case.

It is not however proposed to affect rights accrued or liability incurred before the commencement of the Regulation, nor any rule regarding the management of any religious or charitable trust.

The rule has been modified in British India by Act XII of 1928 and it is proposed to introduce legislation here on similar lines.

No. Rl. 972--L. C., dated Bangalore, the 6th April 1937.

Under Rule 8 of the Rules for the conduct of business of the Mysore Legislative Council, the accompanying Bill for the removal of disabilities arising from change of Religion or deprivation of Caste is published for general information with the statement of objects and reasons.

By Order,

A. SUNDARARAJA RAO,

Secretary,

Mysore Legislative Council.

Bill for the removal of disabilities arising from change of Religion or deprivation of Caste.

Whereas it is expedient to remove certain disabilities arising from change of Religion or deprivation of Caste, it is hereby enacted as follows:—

1. (i) This Regulation may be called the Regulation for the removal of Religious and Caste Disabilities.

(ii) It extends to the whole of Mysore.

(iii) It shall come into force at once.

2. No person and no heir or representative of such person shall, merely by reason of his having renounced or being excluded from any religion or of his being deprived of caste:

(i) be divested of any vested interest to or in property;

(ii) be deprived of any right of inheritance or personal right:

Provided that no person and no heir or representative of such person shall by reason of this enactment be entitled to retain or acquire any property or right or to exercise any right peculiar or only appropriate to the religion which he has renounced or from which he has been excluded or peculiar or only appropriate to the caste of which he has been deprived.

Illustrations.

(*a*) A is a trustee for an endowment of his religion. Out of that endowment he is entitled to provide for his own residence and maintenance. On being converted to another religion, he will cease to retain his interest in the endowment.

(*b*) A, a Hindu with vested interest in joint family property, is converted to Christianity. He will, on conversion, retain his interest in that property, but without the incidents peculiar or only appropriate to members of a joint Hindu family.

(*c*) A, a Hindu, dies intestate, leaving him surviving a legitimate son B, a converted Christian. B will succeed A as heir, not by survivorship as a Hindu co-parcener.

(*d*) A, a Hindu, dies leaving him surviving a legitimate son B, a converted Christian. A, before his death, has disposed of his property by a valid will. A's property will follow the dispositions of that will.

(*e*) A, a Mussalman, with four legally married wives, is converted to Christianity. A, after his conversion, will not be able to divorce them by ceremonies under the Mahomedan Law.

(*f*) A, a Hindu with Hindu sons, becomes a Mussalman. After conversion, he will not be able to exercise the right of a Hindu father to give one of his Hindu sons in adoption to a Hindu.

(*g*) A Hindu Brahmin voluntarily renounces his caste rules and becomes an ascetic. He will not be affected by this Regulation.

3. No person and no heir or representative of such person shall, by reason merely of another person having renounced or being excluded from any Religion or being deprived of Caste,

(i) be divested or deprived of any property, right of inheritance or personal right which he would have held had such other person remained in that Religion or Caste;

(ii) be forced to any act or to suffer any act inconsistent with or not appropriate to his own Religion or Caste.

Explanation.—The Religion or Caste of any person shall be presumed to be that in which he was born. A Court shall, till the contrary is shown, presume that it is for the advantage of a minor to remain in the Religion or Caste in which he was born.

Illustrations.

(*a*) A and B are Hindu full brothers and C their half brother. A becomes a Christian. B's right of inheritance to A will not be affected by C becoming a Christian.

(*b*) A, a Hindu, having a share and a right to live in the joint family house, becomes a Christian. He cannot, contrary to the will of the Hindu members of the family, enforce his right to live himself in the joint family house.

(*c*) A, a Christian man, has a Christian wife B. A becomes a Mussalman and marries a second wife by ceremonies under the Mahommedan Law. A will remain liable for the maintenance of B, and B will retain her right to divorce him, if she chooses, according to the law applicable to Christians. But A cannot enforce against her any conjugal rights, nor divorce her, except, for reasons and in the manner allowed by the law applicable to Christians.

(*d*) A, a Christian man, with minor Christian children, becomes a Mussalman. He will remain liable for their maintenance. But he cannot enforce against them any right of guardianship inconsistent with their religion, such as circumscising his minor sons or giving his minor daughters in marriage to Mussalmans with ceremonies which subject them to Mahommedan Law.

(*e*) A, son of B, a Hindu, becomes a Christian, and is consequently deprived of caste. B will have the same right of adoption as he would have held if A had become an out-caste or disqualified son while remaining a Hindu; but the adoption, if made, will not operate to deprive A of property or rights to which A is entitled under Section 2 of this Regulation.

(*f*) A, son of B, a Hindu, becomes a Christian. After the conversion of A, another son C is born to B. C will have the same rights in respect of ancestral property as he would have had if A had remained a Hindu; but the birth of C will not otherwise affect the rights of A under Section 2 of this Regulation.

STATEMENT OF OBJECTS AND REASONS.

Under the Hindu law a person on conversion to another religion is considered civilly dead and he loses his rights of inheritance in the family to which he belonged. In order to remove this disability, Act XXI of 1850 was passed in British India. The question of introducing legislation in the State on the lines of the British Indian Act, XXI of 1850, has often come up for consideration.

Government feel that the time has come for removing the disability arising from change of religion or deprivation of caste, and the Bill is intended to effect this.

The Bill applies to persons who change their religion as well as to those who are deprived of their caste.

The Bill while removing all reasonable grievances of the converts leaves unimpaired the reciprocal rights of the members remaining in the religion. It is intended that neither the convert nor his relations in the religion which he has left should either lose or gain by the conversion or by the loss of caste of one of the members of the family.

Clause 2 of the Bill enacts that no person or heir of such person will be deprived of any vested interest in property or any right of inheritance or personal right by reason of his having renounced or being excluded from any religion or of his being deprived of his caste. This right is subject to the important proviso that the convert shall not acquire or retain or exercise any right which is peculiar or appropriate only to the religion from which he has seceded.

Clause 3 lays down that no person shall be divested or deprived of any property or right of inheritance or

personal right by reason merely of another person having renounced his religion or being deprived of caste. This clause further provides that no person shall be forced to do any act or to suffer any act inconsistent with or not appropriate to his own religion or caste by reason of another person's conversion or loss of caste. This is intended to protect, among other things, the religious interests of minors.

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BANGALORE, THURSDAY, APRIL 15, 1937.

PART IV.

Legislative Measures and Rules thereunder.

NOTIFICATIONS.

No. P. 5972—*Pol.* 163-36-2, *dated Bangalore, the* 10—13*th April* 1937.

Under Section 22 of the Mysore Arms Regulation VI of 1890 as amended from time to time, the Government of His Highness the Maharaja are pleased to exempt the person specified in the first column of the subjoined table, subject to the provisions of provisos (*a*) and (*b*) to Rule 3 of the Mysore Arms Rules, from such prohibition and directions contained in the said Regulation as are indicated in the fourth column in respect of the arms and ammunitions described in the second column, when carried and possessed for his own personal use :—

Person	Arms and ammunitions	Provisos and restrictions	Prohibitions and directions
The Swami of the Sri Sripadarayaswami Mutt, Mulbagal.	One Double Barrelled Breach Loading Gun. Three Single Barrelled Breach Loading Guns. One six chambered Revolver and fifty cartridges for each of the weapons. Two Swords. Two sticks encased with swords inside.	...	Sections 8 to 11.

By Order,

B. T. KESAVIENGAR,

Chief Secretary to Government.

No. T. 1828—*R. T.* 43-36-6, *dated Bangalore, the 8th April* 1937.

In virtue of the powers vested in them under Sections 14 and 15 of the Mysore Road Traffic and Taxes Regulation No. VI of 1935, the Government of His Highness the Maharaja are pleased to direct (1) that the Frontier Toll-gate at Veeranahosahalli, Hunsur Taluk, the opening of which was notified in Notification No. P. 1534—R. T. 3-36-6, dated 1st September 1936, be abolished with effect from the 1st April 1937 and (2) an interior toll-gate be opened instead at the junction of the Hunsur-Heggaddevankote and Hunsur-Murkal Road nearer to Hunsur with effect from the abovesaid date.

No. T. 1831—*R. T.* 38-36-8, *dated Bangalore, the* 8—10*th April* 1937.

The following draft of a rule, which the Government propose to make, in exercise of the powers vested in them under Section 11 of the Mysore Motor Vehicles Regulation 1928, is published under Sub section (1) of the said section for the information of all persons interested. Any objection or suggestion which may be received before the 30th April 1937, will be taken into consideration by Government before the issue of the rule finally :—

DRAFT AMENDMENT.

After rule 39 of the said rules *add* the following as rule 39 A :—

"Subject to the carrying capacity of and particular motor lorry the maximum load which a motor lorry shall carry while plying on any road in Mysore State *shall not exceed six tons.*"

By Order,

M. VENKATESA IYENGAR,
Secretary to Government,
General Department.

No. 3874—L. C., dated Bangalore, the 7th April 1937.

Under Rule 8 of the rules for the conduct of business of the Mysore Legislative Council, the accompanying Bill further to amend the Mysore Village Offices Regulation, 1908, is published for general information with the statement of objects and reasons.

By Order,

A. SUNDARARAJA RAO,
Secretary,
Mysore Legislative Council.

Bill further to amend the Mysore Village Offices Regulation, 1908.

Whereas it is expedient to further amend the Mysore Village Offices Regulation, 1908; it is hereby enacted as follows:—

1. After Section 6 of the said Regulation, the following new sections shall be added:—

"6 (A). The Deputy Commissioner may, with the consent of the holder of any village office given in writing, resume such village office upon such terms regarding compensation and other matters as may be agreed upon by the Deputy Commissioner and such holder and subject to such rules as may be made by the Government in this behalf."

"6 (B). The Government may, when they consider it desirable in the public interests, direct by notification in the Official Gazette the Deputy Commissioner to resume any village office upon such terms as to compensation and other matters as may be prescribed by the Government by rules in this behalf."

"6 (C). Upon such resumption under Section 6 (A) or 6 (B), the village office shall vest in the Government free of all rights of the holder thereof, his heirs and successors, and such holder, his heirs and successors shall be relieved in perpetuity of their liability to perform service in respect of such office."

"6 (D). (1) When any village office is resumed under Section 6 (A) or Section 6 (B), lands if any assigned to such office as emoluments may be enfranchised on such terms as the Government may by rules prescribe in this behalf in regard to the premium to be paid by the holder of such office, the assessment to be levied in respect of the land so enfranchised and the like matters and on such enfranchisement nothing in Section 5 shall apply to the lands so enfranchised.

(2) The premium prescribed in Sub-section (1) shall be recoverable as an arrear of land revenue."

2. The following shall be added as Sub-section (6) to Section 8 of the said Regulation:—

"(6) Nothing contained in Sub-sections (2) and (3) shall apply to a village office for the performance of the duties of which a stipendiary officer has been appointed."

3. The following shall be added to Section 9 of the said Regulation as paragraph 3 :—

"If, in an alienated village, the office of Patel or Shanbhog is not hereditary, the holder of such village may with the permission of the Deputy Commissioner arrange for the performance of the duties of such office by himself or by other agency. On failure of such holder to make such arrangement, within such time as may be fixed by the Deputy Commissioner, the Deputy Commissioner may appoint stipendiary Patel or Shanbhog whose salary shall be recoverable from the holder of the village as an arrear of land revenue."

4. After clause (iv) of Sub-section (1) of Section 22 of the said Regulation, the following clauses shall be added :—

"(iv) A. Conditions subject to which village offices may be resumed under Section 6 (A) or Section 6 (B).

"(iv) B. Terms on which lands assigned to village officers as emoluments may be enfranchised."

STATEMENT OF OBJECTS AND REASONS.

In an order passed on 10th July 1935, Government declared their policy that the hereditary system in respect of village offices should be terminated as rapidly as circumstances permitted and that this class of public servants should be replaced by stipendiary officers.

This Bill has been prepared with a view to give power to the Deputy Commissioner to enable him to terminate the hereditary right in a village office with the consent of the holder upon such terms as to compensation and other matters as may be prescribed and agreed upon.

Provision is also made for the compulsory acquisition of the right when Government consider it desirable in public interests.

When the hereditary right is commuted, the *inam* lands attached to the office will be enfranchised.

The Bill also provides for another matter relating to the power proposed to be given to an *inamdar* to make his own arrangements to carry on the duties of Patels and Shanbhogs in an *inam* village where there are no hereditary officers. This is in pursuance of the orders

passed by Government on the report of the *Inam* Committee appointed in 1932 in an order, dated 16th July 1935, in which Government held the view that the *inamdar* should not be compelled to employ Shanbhogs and Patels for every alienated village under him, but should be at liberty to make any arrangement he liked to collect the revenue, grant receipts, maintain and submit to the Government authorities the required accounts and to perform the police duties required by Government of a village headman. But if he wished to do the work himself or to employ any other agency on payment of a salary, Government thought that he should be at liberty to do so.

With a view to give effect to the policy of Government as enunciated in the order referred to above, it is proposed to amend Section 9 of the Village Offices Regulation so as to provide for the *inamdar* being allowed to do the work of the Patel or Shanbhog in an *inam* village himself or to employ other agency on payment of a salary.

No. 3876—*L. C., dated Bangalore, 7th April* 1937.

Under Rule 8 of the rules for the conduct of business of the Mysore Legislative Council, the accompanying Bill further to amend the Minor Tank Restoration Regulation, 1916, is published for general information with the Statement of Objects and Reasons.

By Order,

A. SUNDARARAJA RAO,
Secretary, Mysore Legislative Council.

Bill further to amend the Minor Tank Restoration, Regulation, 1916.

Whereas it is expedient to further amend the Minor Tank Restoration Regulation, 1916, it is hereby enacted as follows :—

1. For section 2 of the Minor Tank Restoration Regulation, 1916 (hereinafter referred to as the said Regulation) the following section shall be substituted.—

"2. In this Regulation :

(1) A "Minor Tank" means a tank the annual assessment on whose irrigable area is Rs. 300 or less and which has not been notified by the Government as a major tank and includes such minor tanks situate in an alienated village.

(2) "Restoration" means restoring to an efficient condition a tank which, from neglect, accident or other cause, has fallen into disuse or become impaired or less efficient than formerly."

2. (1) After sub-section (2) of section 4 of the said Regulation, the following new sub-section shall be inserted :—

"(2. A) In the case of minor tanks situate in alienated villages the cost of restoration shall, after deducting the raiyats' contribution under sub-section (2), be borne by the Government and the superior holder in the proportion of the land revenue payable by the said superior holder to the Government and the total assessment of the village less the land revenue payable by the said superior holder to the Government."

(2) In sub-sections (3) and (4) of section 4 of the said Regulation, the words and figure "or sub-section (2.A)" shall be inserted after the words and figure "sub-section (2)".

STATEMENT OF OBJECTS AND REASONS.

In passing orders on the recommendation of the Committee appointed for suggesting measures for improving the condition of tenants in inam and jodi villages, Government accepted the recommendation of the Committee to give effect to the orders passed on the Inam Commission of 1918 in regard to the enforcing of the responsibilities of inamdars and tenants in respect of restoration of minor tanks.

In order to implement this order it is proposed to amend the Minor Tank Restoration Regulation, 1916, as amended by Regulation XV of 1923.

"Minor Tank" is defined so as to include those in inam villages. The raiyats in inam villages will have to contribute towards the cost of restoration in the same proportion as in Government villages. The balance will be shared by Government and inamdars in the proportion

of the land revenue payable by the inamdar to the Government and the total assessment of the village less the land revenue payable by the inamdar to Government.

No. 3878—L. C. Bangalore, dated 7th April 1937.

Under Rule 8 of the rules for the conduct of business of the Mysore Legislative Council, the accompanying Bill to amend the Mysore Irrigation Regulation, No. 1 of 1932, is published for general information with the statement of objects and reasons.

By Order,

A. SUNDARARAJA RAO,
Secretary,
Mysore Legislative Council.

Bill to amend the Mysore Irrigation Regulation, No. I of 1932.

Whereas it is expedient to further amend the Mysore Irrigation Regulation, No. I of 1932, it is hereby enacted as follows :—

1. After Section 34 of the Mysore Irrigation Regulation, 1932 (hereinafter referred to as the said Regulation) the following section shall be added :—

"34 A. For the purposes of this chapter, an irrigation work includes such work in an inam village, though it is not constructed, maintained or controlled wholly or mainly by Government."

2. The following shall be added after the word "village" occurring in line 1 of Section 36 of the said Regulation :—

"and in the case of an inam village of the Inamdar also,"

3. The following shall be added after the word "patel" occurring in line 3 of Section 37 of the said Regulation :—

"the Inamdar in the case of an inam village."

STATEMENT OF OBJECTS AND REASONS.

While passing orders on the recommendations of the Inam Commission of 1918, Government directed that the responsibility of inamdars and tenants in regard to the restoration and maintenance of tanks in inam villages should be enforced on the same principle as in Government villages and that the inamdars should be given the power of enforcing the responsibility of the raiyats for the annual maintenance work. But no effect could be given to those orders till now for want of necessary legislation on the subject. The Inam Committee appointed in 1932 having urged the matter once again for consideration, Government directed that necessary legislation should be undertaken to give effect to the orders already passed.

It is therefore proposed to amend Irrigation Regulation so as to make Chapter VIII of the Regulation applicable to tanks in inam villages also.

Section 34 is proposed to be amended so as to extend the rule about the enforcement of customary labour to an irrigation work in an inam village also though such work is not constructed, maintained or controlled wholly or mainly by Government.

Section 36 is proposed to be amended so as to make the Inamdar responsible for the due performance of customary labour to an irrigation work in an inam village and Section 37 is proposed to be amended so as to give power to the Inamdar to get such work performed by hired labour when a person who is bound to contribute labour neglects or refuses to do so.

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BANGALORE, THURSDAY, APRIL 22, 1937.

PART IV.

Legislative Measures and Rules thereunder.

NOTIFICATIONS.

No. T. 1862—*R. T.* 38-36-9, *dated Bangalore,* 14—15*th April* 1937.

In exercise of the powers conferred upon them under Section 22 of the Mysore Road Traffic and Taxes Regulation, VI of 1935, the Government of His Highness the Maharaja of Mysore are pleased to issue the following note after item No. 15 in the Schedule published in Notification No. P. 3158 – Legis. 46-35-2, dated 11—12th November 1935, in respect of the rate of tolls on non-motor vehicles other than those entering the State at Frontier Toll-gates, the draft notification in this behalf having been published with Notification No. T. 1545—R. T. 38-36-6, dated 9th March 1937, at page 60, Part IV of the *Mysore Gazette*, dated 18th March 1937.

2. This will have effect on and from 1st May 1937.

"NOTE.—Double the rate of tolls prescribed above shall be levied in the case of carts referred to in items 6, 8, 10, 12 and 14 when such carts are laden with timber."

No. T. 1906—*R. T.* 43-36-8, *dated Bangalore, the* 20*th April* 1937.

In virtue of the powers vested in them under Sections 14 and 15 of the Mysore Road Traffic and Taxes Regulation No. VI of 1935, the Government of His Highness the Maharaja are pleased to direct that the Mallikatte Toll-gate in the Chitaldrug District, be shifted from its present location to Bethur Village at a distance of 6½ miles from Mallikatte and 1½ miles from the Municipal limits of Davangere.

By Order,

M. VENKATESA IYENGAR,

Secretary to Government,
General Department.

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BANGALORE, THURSDAY, APRIL 29, 1937.

PART IV.

Legislative Measures and Rules thereunder.

NOTIFICATION.

No. P. 6161—*Legis.* 38-36-7, *dated Bangalore, the* 24—26*th April* 1937.

In exercise of the powers conferred by Section 8 of the Cinematograph Regulation, 1923, the Government of His Highness the Maharaja are pleased to issue the following addition to the rules for the regulation of Cinematograph exhibitions in the Mysore State issued with Notification No. P. 2954 Legis. 20-24-1, dated the 9th December 1924.—

After rule 4 under "Section (ii)—Rules for travelling cinematograph shows" of the said rules, the following new rule shall be inserted:—

"4A. Subsequent inspections of the installation, whenever considered necessary by the District Magistrate, shall be held by the Senior Operator of the Electrical Department stationed nearest the place where the Cinematograph is exhibited for the time being. The Senior Operator shall then submit his report on the result of his inspection to the Government Electric Inspector who shall then certify to the District Magistrate as to the fitness or otherwise of the Plant."

By Order,
B. T. KESAVIENGAR,
Chief Secretary to Government.

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BANGALORE, THURSDAY, MAY 6, 1937.

PART IV.

Legislative Measures and Rules thereunder.

NOTIFICATIONS.

No. Fl. 6765—St. 25-36-2, dated Bangalore, 3rd May 1937.

In exercise of the powers conferred by Clause (a) of Section 9 of the Mysore Stamp Regulation, II of 1900 as amended from time to time, the Government of His Highness the Maharaja of Mysore are pleased to remit, for a period of two years, the stamp duty leviable on all mutchalikas to be executed by raiyats to "The Mysore Tobacco Company, Ltd.," in connection with the cultivation and curing of tobacco.

By Order,

M. VENKATESA IYENGAR,

Secretary to Government,
General Department.

No. L. 7953—*V. P.* 50-36-2, *dated Bangalore, the* 30*th April*—1*st May* 1937.

The following draft of the rule prescribing the procedure for the payment of arrears of Panchayet Potgi and contingent allowances to village officers which the Government propose to make, in exercise of the powers conferred by Section 65 (2) (*g*) of the Village Panchayet Regulation, as amended from time to time, and all other powers in this behalf, is published under sub-section (3) of Section 65 of the Regulation for the information of persons likely to be affected thereby, and notice is hereby given that the draft rule will be taken into consideration on or after 15th May 1937. Any objection or suggestion which may be received from any person with respect to the proposed rule before the said date will be taken into consideration :—

Draft Rule.

"31 A. *Arrear Bills.*—Arrear pay and allowances should be drawn separately, the amount claimed for each month being entered separately, with a quotation of the bill in which the charge was omitted or withheld or on which it was refunded by deduction or of any special order granting a new allowance. When arrears are paid, the number and date of the voucher should be noted in the original bill in which the charge was withheld or omitted or in which it was refunded against the particular item in order to prevent a second claim being entertained.

Payment of claims of arrears of pay or allowances or increments which have been allowed to remain in abeyance for a period exceeding one year requires the sanction of the Deputy Commissioner."

By Order,

V. VEDAVYASACHARYA,

Secretary to Government,
Development Department.

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The Mysore Gazette

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BANGALORE, THURSDAY, MAY 20, 1937.

PART IV.

Legislative Measures and Rules thereunder.

NOTIFICATIONS.

No. P. 6481—*Pol.* 161-36-4, *dated Bangalore, the* 17*th May* 1937.

Under Section 22 of the Mysore Arms Regulation, VI of 1890, as amended from time to time, the Government of His Highness the Maharaja are pleased to exempt the person specified in the first column of the subjoined table, subject to the provisions of provisos (a) and (b) to Rule 3 of the Mysore Arms Rules, from such prohibitions and directions contained in the said Regulation as are indicated in the fourth column in respect of the arms and ammunitions described in the second column, when carried or possessed for his own personal use :—

Person	Arms and ammunitions	Provisos and restrictions	Prohibition and directions
The Swami of the Sree Siddaganga Mutt, Tumkur Taluk.	Two Breach Loading Guns. One Revolver. Fifty cartridges for each of the weapons.	...	Sections 8 to 11.

By Order,

B. T. KESAVIENGAR,

Chief Secretary to Government.

No. T. 2147—R. T. 8-36-17, dated Bangalore, the 13th May 1937.

The Mutsaddis of the Molakalmuru Frontier Toll Gate in the Chitaldrug District are appointed Licensing Officers under the Mysore Road Traffic and Taxes Regulation, No. VI of 1935, for the purpose of collection of vehicles taxes on Motor Bicycles and Cars only and for the grant of licenses therefor.

The above Licensing Officers are empowered to collect the composition fee in lieu of tolls in respect of the vehicles specified in para 1 above under Section 20 of the said Regulation and the Rules issued thereunder and to issue tokens therefor.

This will have effect on and from 1st June 1937.

By Order,

M. VENKATESA IYENGAR,

Secretary to Government,
General Department.

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The Mysore Gazette

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BANGALORE, THURSDAY, MAY 27, 1937.

PART IV.

Legislative Measures and Rules thereunder.

NOTIFICATIONS.

No. P. 6593—*Pol.* 184-36-2, *dated Bangalore,* 24—25*th May* 1937.

In exercise of the powers conferred by Section 78 (1) and (3) of the Mysore Police Regulation V of 1908 as amended from time to time, the Government of His Highness the Maharaja are pleased to make the following rule and direct that it shall come into force in the undermentioned places of the Mysore District upon the expiration of two months from the date of its first publication in the *Mysore Gazette.*

"No person riding a bicycle on any street or public place shall be permitted to convey any other person on his own person or on the same bicycle or any part thereof and no person shall ride a bicycle on any street or public place in any other manner than on the saddle."

(1) Periyapatna in Hunsur Taluk.
(2) Saligrama in Krishnarajanagar Taluk.
(3) Hampapur in Krishnarajanagar Taluk.
(4) Saragur in Heggadadevankote Taluk.
(5) Bannur in T.-Narsipur Taluk.
(6) Sosale in T.-Narsipur Taluk.
(7) Talakad in T.-Narsipur Taluk.
(8) Terakanambi in Gundlupet Taluk.
(9) Ramasamudra in Chamarajanagar Taluk.
(10) Santhemarahalli in Chamarajanagar Taluk.
(11) Netigal in Chamarajanagar Taluk.

By Order,

B. T. KESAVIENGAR,
Chief Secretary to Government.

No. G. 9148—*P. H.* 10-35-19, *dated Bangalore, the* 17—18*th May* 1937.

Under Section 20 of the Mysore Prevention of Adulteration Regulation, IX of 1921, as amended by Regulation, IV of 1929 and IV of 1930, Government are pleased to make the rules issued with Notification No. G. 2463—San. 61-30-7, dated 22nd September 1931 (annexed hereto), applicable to the Seringapatam Town Municipality.

By Order,
M. VENKATESA IYENGAR,
Secretary to Government,
General Department.

Rules under the Mysore Prevention of Adulteration Regulation.

1. In these rules, "Regulation" means the Mysore Prevention of Adulteration Regulation, IX of 1921.

"Section" means section of the above Regulation.

Section 3.—

2. The officer to whom the local executive officer may delegate his powers shall be of the rank of a Health Officer or shall hold the diploma of Public Health. No legal proceedings under the Regulation shall be instituted without the permission in writing of the President or the Commissioner as the case may be.

Section 20 (*b*).—

3. The area within which the local executive officer of a Municipal Council shall exercise powers shall be the Municipal limits of the place.

Section 20 (*c*).—

4. *Cleanliness of Vessels.*—All vessels, receptacles or utensils used for manufacturing or preparing food or containing any food intended for sale shall be cleansed with clean boiling water before and after use and shall be kept in a constant state of cleanliness. In case of food likely to be acted upon by the metal of the vessels, receptacles or utensils in which the food is manufactured, prepared or contained for purposes of sale, precautions shall be taken to prevent such metallic contamination.

Section 20 (*d*).—

5. *How notice of Admixture, Addition or Deficiency shall be given.*—If the vendor of any article intended for food knows that it is admixed with any foreign substance whatsoever or that any component part has been abstracted therefrom, he shall give due notice of such admixture or abstraction by means of distinct and clear labels in Kannada or in any other language likely to be read and understood by the people, affixed conspicuously on each package or receptacle containing the article. Unless the vendor of any food containing an admixture, addition or deficiency, knows of his own knowledge, that the purchaser is able to read and understand the label, he shall give the purchaser the information contained in the label by word of mouth at the time of purchase.

Section 20 (*e*).—

6. The standards of purity prescribed for milk, cream, butter and ghee are follows :—

Milk.—

Cow's Milk.—(1) Where a sample of cow's milk (not being sold as skimmed or separated milk), contains less than three per cent of milk-fat, it shall be presumed for the purposes of this Regulation, until the contrary be proved, that the milk is not genuine, by reason of the abstraction therefrom of milk-fat or the addition thereto of water.

(2) When a sample of cow's milk or any skimmed or separated cow's milk contains less than 8·5 per cent of milk-solids other than milk-fat, it shall be presumed for the purposes of this Regulation, until the contrary be

proved, that the milk is not genuine by reason of the addition thereto of water.

(3) When a sample of cow's milk, whether sold as cow's milk or as skimmed or separated cow's milk, contains less than 0·5 per cent of nitrogen, it shall be presumed for the purposes of this Regulation, until the contrary be proved, that the milk is not genuine by reason of the addition thereto of water.

Buffalo Milk.—(4) Where a sample of buffalo milk (not being sold as skimmed or separated milk), contains less than 4·5 per cent of milk-fat, it shall be presumed for the purposes of this Regulation, until the contrary be proved, that the milk is not genuine by reason of the abstraction therefrom of milk-fat or the addition thereto of water.

(5) Where a sample of buffalo milk, whether sold as buffalo milk, or as skimmed or separated buffalo milk, contains less than nine per cent of milk-solids other than milk-fat, it shall be presumed for the purposes of this Regulation, until the contrary be proved, that the sample is not genuine by reason of the addition thereto of water.

(6) Where a sample of buffalo milk, whether sold as buffalo milk or as skimmed or separated buffalo milk, contains less than 0·53 per cent of nitrogen, it shall be presumed for the purposes of this Regulation, until the contrary be proved, that the sample is not genuine, by reason of the addition thereto of water.

N. B.—The minimum limits for nitrogen prescribed above under (3) and (6) are intended to be used in those cases in which a sample of milk when it is analysed, is so far decomposed that an estimation of the proportion of milk-solids other than milk-fat in the sample before decomposition will be unreliable, the proportion of nitrogen not being appreciably affected by decomposition.

Unspecified Milk.—(7) Where a sample of milk, separated milk or skimmed milk, is sold or offered for sale or hawked about, without any indication as to whether it is derived from the cow or the buffalo and by comparison with the minimum limits given for the cow's milk in the above, it appears to be adulterated, it shall be presumed for the purposes of this Regulation, until the contrary be proved, that the sample is not genuine for the reason given in the above rule or rules which are applicable.

Maximum Limit for Dirt in Milk.—(8) Where a sample of milk, separated or skimmed milk, deposits, on

standing for a period of 24 hours or less, an amount of visible sediment exceeding five parts per 100,000 (both milk and sediment being measured by volume), it shall be presumed for the purposes of this Regulation, until the contrary be proved, that the sample is not genuine by reason of its containing an excessive amount of dirt.

Cream.—(9) Where a sample of cream contains less than 20 per cent of milk-fat, it shall be presumed for the purposes of this Regulation, until the contrary be proved, that the sample is not genuine.

Butter.—(10) Where the proportion of water in a sample of butter exceeds 20 per cent, it shall be presumed for the purposes of this Regulation, until the contrary be proved, that the butter is not genuine by reason of the excessive amount of water therein.

Ghee.—(11) Where the proportion of water in a sample of ghee exceeds one per cent, it shall be presumed for the purposes of this Regulation, until the contrary be proved, that the ghee is not genuine by reason of the excessive amount of water therein.

Section 20 (*f*).—

7. (1) No person shall add water or any dried or condensed milk or any fluid reconstituted therefrom or any skimmed milk or separated milk to milk intended for sale, and no person shall, by himself or by any servant or agent, sell or offer for sale or hawk about, any milk to which any such addition has been made.

(2) No person shall abstract any ingredient from milk, without giving due notice of the same, in an unambiguous manner, of the fact of such abstraction therefrom, as prescribed in rules under Section 20 (*d*).

(3) No person either by himself or any servant or agent, shall sell or offer for sale or hawk about, as milk, any liquid in the making of which dried milk or condensed milk has been used or to which water or other diluent or adulterant has been added or from which any ingredient has been abstracted, without due notice of the same to the purchaser as prescribed in rule under Section 20 (*d*).

Section 20 (*g*).—

8. Any receptacle containing dried, condensed, skimmed or separated milk shall be labelled with an adhesive label which shall contain the information and be of the size indicated below. The information shall be in black

type, printed or written in the centre of the label, which shall be of white colour. Nothing else shall be printed or written on the label, except the name of the article. The label shall be clearly visible to the purchaser and shall measure at least 2″×4″ where only Kannada is used or at least 4″×4″ where more than one language is employed.

Section 20 (*h*).—

9. (1) Any person taking a sample of milk for the purposes of this Regulation may add a preservative for the purpose of retaining the sample in a condition convenient for analytical purposes.

(2) The preservative used shall be the liquid commonly known as "formalin" which is a liquid containing about 40 per cent of formaldehyde in aqueous solution.

(3) The amount of preservative added shall be approximately in proportion of one drop of formalin for every 2 oz. of the sample of milk.

(4) Each sample of milk to which formalin has been added by the person taking the sample shall bear a notification on the label to the effect that it has been "artificially preserved."

(5) For the purposes of this rule, milk includes skimmed and separated milk.

10. *Penalty for Breach of Rules.*—Every manufacturer or dealer or vendor who—(*a*) disobeys, fails to comply with or acts in contravention of the provisions made under Rule 4 herein, in respect of cleanliness of vessels, receptacles or utensils used for manufacturing, preparing or containing any food intended for sale, or (*b*) neglects to affix labels to notify in the manner prescribed, the fact of the admixture of foreign ingredients in the case of adulterated articles of food or abstraction of any component part therefrom of any article of food, or (*c*) fails to give the purchaser, in cases mentioned in Rule 5, information contained in such labels by word of mouth at the time of purchase, or (*d*) manufactures, deals in or sells milk, cream, butter or ghee below the standard prescribed in Rule 6 above shall, on conviction before a magistrate, be punished with a fine not exceeding Rs. 50 and with a fine which may extend to Rs. 50 for every subsequent offence.

Order No. T. 2227—R. T. 38-36-13, dated Bangalore, the 25th May 1937.

The following draft amendment which the Government propose to make by virtue of the powers vested in them under Sections 23, 24 and 33 of the Mysore Road Traffic and Taxes Regulation, VI of 1935, is hereby published for information of persons likely to be affected thereby and notice is hereby given that the said draft will be taken into consideration on or after the 12th June 1937 and that any suggestions or objections which may be received from any person in respect of the said rule on or before the date aforesaid will be considered by Government:—

DRAFT AMENDMENT.

Add the following as clause (*i*) to Rule 2 of the Rules regarding permits for motor lorries and renumber the existing clause (*j*) as (*k*)—

"(*j*) belonging to Government or any department of Government."

No. T. 2200—R.T. 38-36-11, dated Bangalore, 18—20th May 1937.

In exercise of the powers conferred on them under Section 11 of the Mysore Motor Vehicle Regulation, 1928, the Government of His Highness the Maharaja are pleased to issue the following amendment to the Mysore Motor Vehicles Rules, 1924, as amended from time to time, the draft in the said behalf having been published already with Notification No. T. 3968—R. T. 38-36-2, dated the 22nd December 1936, published at page 482 of Part IV of the *Mysore Gazette*, dated the 24th December 1936.

AMENDMENT.

Motor Vehicles of Manufacturers, Dealers, and Repairers.

7. Upon application made by the manufacturer, dealer or any repairer of motor vehicles in the form "K" annexed to these rules, the Registering Authority may, in his discretion and on being satified that the applicant

Trade License and General Trade Number.

is a *bona fide* manufacturer of, dealer in or repairer of motor vehicles, grant to the applicant a Trade License in the Form "L" annexed to these rules and also assign to him a general trade number.

7-A. Each such general number shall have assigned to it a certain number of consecutive letters of the alphabet not exceeding seven and shall entitle the holder to have in use in a public place not more than the said number of motor vehicles at any one time.

7-B. Notwithstanding anything contained in Rule 7-A above, the Registering Authority may, upon application by a manufacturer, dealer or repairer, assign to him a larger number of letters than seven and may permit such greater number of motor vehicles than seven to be used at one and the same time, as the Registering Authority may specify and subject to the payment of fees prescribed. A license so obtained shall be deemed to be a certificate of registration in respect of any such motor vehicle for which a certificate of registration has not been obtained under Rule 3.

The period of Trade License.

7-C. The Trade License specified above shall be granted or renewed for the period of each official year.

Provided that every general trade number issued in accordance with Rule 7 of the Mysore Motor Vehicles Rules, 1924, shall be valid for the period for which it was issued. On the expiry of this period and on application under Rule 7 above, a general trade number may be issued and made valid until 30th June 1937, and for such general trade numbers the fee payable shall be Rs. 5 for every month or part of a month of the official year ending with 30th June 1937 which is unexpired on the date on which the general trade number issued under the Mysore Motor Vehicles Rules referred to above expired.

Fees.

7-D. The fee payable for the grant or renewal of a Trade License shall be as follows:—

(i) For a General Trade License with one letter of the alphabet assigned to it, Rs. 32 for one year. If for a shorter period, Rs. 10 for every month or part thereof.

(ii) For every letter of the alphabet exceeding one and not exceeding seven, Rs. 3 for every such additional letter in addition to the fee prescribed under item (i) above.

(iii) For every letter assigned in excess of seven, Rs. 5 for every such letter in excess of seven in addition to fees payable under items (i) and (ii) of this rule.

7-E. Whenever a motor vehicle is used in a public place under the authority of a General Trade License, it shall exhibit on flat plates affixed to the vehicle in the manner prescribed by Rule 10 of the Mysore Motor Vehicles Rules, the said General Number together with the serial number allotted under Rules 7-A and 7-B above in white letters of uniform size on a red ground. When a General Trade Number is used with a motor vehicle which has been previously registered under the Mysore Motor Vehicles Rules, the General Trade Number shall be shown either to the exclusion of the original Registered Number or shall be affixed to the vehicle in such a manner that the original Registered Number is not visible.

Exhibition of General Trade number on every vehicle.

7-F. The General Trade Number shall not be used on any vehicle other than a vehicle *bona fide* in the possession of the manufacturer, dealer or repairer in course of his business as such.

7-G. The Trade License shall be used only by the person to whom it is granted and such person shall not allow or suffer the license or the number assigned in connection therewith to be used by any other person but no offence under this sub-rule shall be deemed to have been committed if the person to whom the license is granted or a person *bona fide* in his employ and acting under his authority is present and in charge of the vehicle or if such vehicle is constructed for use by one person only and is being used by a prospective purchaser for the purpose of test or trial.

7-H. A duplicate Trade License may be granted by the original Registering Authority on payment of one half the original Trade License Fees. The word "Duplicate" shall be clearly shown in red ink across the duplicate.

Duplicate Trade License.

7-I. The holder of a Trade License shall not use any vehicle in any public place with the number allotted except in the following circumstances, namely :—

Circumstances under which General Trade number is to be used on a vehicle.

(*a*) when the vehicle is on test or trial during the course of construction or repairs or after completion in either such case; or

(*b*) when the vehicle is proceeding to or from the prescribed place of registration ; or

(*c*) when the vehicle is on trial for the benefit of a prospective purchaser and is proceeding to or returning from the place where the prospective purchaser intends to keep such vehicle. For such purpose the vehicle may be

driven by the prospective purchaser if he holds a driver's license; or

(*d*) when the vehicle is being taken for delivery to or from the premises of a manufacturer or trader, and from such premises to the premises of a purchaser or of another manufacturer or trader; or

(*e*) when the vehicle is proceeding to or returning from a workshop for the purpose of having a body fitted to the vehicle or for painting or repairs; or

(*f*) when the vehicle is proceeding from the premises of a manufacturer or trader to a railway station or wharf for entraining or shipment, or from a train or ship to the premises of the manufacturer or trader; or

(*g*) when the vehicle is proceeding to an exhibition of motor vehicles for the purpose of exhibition or is returning from such exhibition to the premises of a manufacturer or trader; or

(*h*) in trials and competitions sanctioned by Government; or

(*i*) when the vehicle is proceeding to or returning from any place at which the vehicle is to be or has been offered for sale.

General Trade Number Register

7-J. Every manufacturer, dealer or repairer, who is granted a Trade License under these rules shall keep, in form "M" appended to these rules, a register showing the name of the driver in charge of each of the motor vehicles using the Trade License when allowed to leave his premises and the hours and dates on which such driver was in charge of the vehicle. Such register shall be open to inspection on demand by any police officer not below the rank of a Sub-Inspector. For the purpose of this rule, the European Head Constables in the State Service shall be deemed to be Sub-Inspectors of Police.

Cancellation of Trade License.

8. The Registering Authority may at any time withdraw the Trade License issued under these rules if the dealer, manufacturer or repairer has used it for unauthorised purpose.

Provided that no order shall be made under this Rule until the Registering Authority has given the said dealer, manufacturer or repairer an opportunity of making any representations which he may wish to make.

By Order,

M. VENKATESA IYENGAR,

Secretary to Government,
General Department.

"K."

APPLICATION FOR TRADE LICENSE.

1. Full name and address of applicant.
2. The General Trade number assigned.
3. Number of consecutive letters of the alphabet required to be assigned with the General Trade Number.
4. The classes of motor vehicles in respect of which the letters of the alphabet are required.
5. Whether the applicant is a manufacturer of, dealer in, or repairer of motor vehicles.
6. Period for which required.
7. Amount of fee paid.

DECLARATION.

I do hereby declare that the trade license applied for by me is required *bona fide* for trade purposes.

Date.....

Place.....

Signature.

"L."

FORM OF TRADE LICENSE.

1. Serial No. of license.
2. Full name and address of licensee.
3. Trade number assigned in respect of the license.
4. Letters of the alphabet assigned with the Trade number.
5. Classes of motor vehicles in respect of which the letters of the alphabet are to be used.
6. Date of expiry of the license.
7. Amount of the fee paid.
8. Date Stamp of office of issue.

Station.....

Dated.....

Inspector-General of Police and Registering Authority,
Motor Vehicles Department, Mysore State, Bangalore.

"M."

Register to be kept and written up from day to day by every manufacturer, dealer or repairer who is granted a trade license under Rule 7 of the Mysore Motor Vehicles Rules.

Date and time when the vehicle goes out	Name of person in charge thereof	The purpose for which the vehicle is sent out	The date and time of the return of the vehicle to the premises	The distinguishing number and letter or letters affixed to the vehicle

No. T. 2239—R. T. 13-36, dated Bangalore, 25th May 1937.

SUBJECT—**Refund of Taxes paid on Motor Vehicles.**

Government direct that the words "clause (d) of" be inserted between the words "to" and "Rule" occurring in the beginning of line 6 of Notification No. T. 1120—R. T. 13-36-24, dated 4—5th February 1937, published on page 27, Part IV of the *Mysore Gazette*, dated 11th February 1937.

By Order,
M. VENKATESA IYENGAR,
Secretary to Government,
General Department.

No. 4332—L. C., Bangalore, dated 26th May 1937.

Under Rule 8 of the rules for the conduct of business of the Mysore Legislative Council, the accompanying Bill to amend the Mysore City Municipalities Regulation, 1933, is published for general information with the statement of objects and reasons.

By Order,
A. SUNDARARAJA RAO,
Secretary,
Mysore Legislative Council.

Bill to amend the Mysore City Municipalities Regulation, 1933.

Whereas it is expedient to amend the Mysore City Municipalities Regulation, 1933; It is hereby enacted as follows:—

1. After Section 234 of the Regulation, the following section shall be inserted, namely:—

"234-A. Notwithstanding anything contained in this Regulation—

(*a*) the Government may, by notification, take power to appoint the Chief Officer, the Health Officer or the Engineer in the case of any Municipal Council;

(*b*) the Government may at any time withdraw any such Chief Officer, Health Officer or Engineer and appoint another in his place ; and

(*c*) the Government shall have power to regulate the methods of recruitment, conditions of service, pay and allowances and discipline and conduct of Chief Officers, Health Officers and Engineers appointed under Clause (*a*).

"234-B. So long as a notification under Clause (*a*) of Section 234-A is in force, the Municipal Council in respect of which such notification is made, shall cease to exercise the powers under Sections 233 and 234 of this Regulation."

STATEMENT OF OBJECTS AND REASONS.

The present legal position regarding the appointment and control of Chief Officers, Health Officers and Engineers in City Municipalities is not altogether satisfactory. In practice, Health Officers and Engineers are selected by Government and appointed as such generally in consultation with the City Municipal Councils. The City Municipal Councils have, however, been contending that under Sections 233 (1) and 234 (1) of the City Municipalities Regulation the power to select and appoint these officers is vested in them subject to the sanction of Government. In the interests of efficiency, it is considered that these important appointments should be under the control of the Government and that they should be filled by posting officers from the regular cadre of the Departments concerned. The new sections enable the Government to take power to appoint and control the Chief Officer, the Health Officer and the Engineer in the case of any City Municipality.

No. 4334—L. C., Bangalore, dated 26th May 1937.

Under Rule 8 of the rules for the conduct of business of the Mysore Legislative Council, the accompanying Bill to amend the Mysore Town Municipalities Regulation, 1933, is published for general information with the statement of objects and reasons.

By Order,

A. SUNDARARAJA RAO,

Secretary,

Mysore Legislative Council.

Bill to amend the Mysore Town Municipalities Regulation, 1933.

Whereas it is expedient to amend the Mysore Town Municipalities Regulation, 1933; It is hereby enacted as follows:—

1. After Section 209 of the Regulation, the following shall be inserted, namely:—

"209-A. Notwithstanding anything contained in this Regulation—

(*a*) the Government may, by notification, take power to appoint the Chief Officer in the case of any Municipal Council;

(*b*) the Government may at any time withdraw any such Chief Officer and appoint another in his place; and

(*c*) the Government shall have power to regulate the methods of recruitment, conditions of service, pay and conduct of Chief Officers appointed under Clause (*a*).

"209-B. So long as a notification under Clause (*a*) of Section 209-A is in force, the Municipal Council in respect of which such notification is made, shall cease to exercise the power under Section 209 of this Regulation."

Statement of Objects and Reasons.

The present legal position regarding the appointment and control of Chief Officers in Town Municipalities is not altogether satisfactory. Under Section 209 of the Town Municipalities Regulation, 1933, it is possible to hold that the Municipal Council has power to appoint these officers subject to the sanction of Government. In practice, however, Chief Officers are appointed by Government. In the interests of the efficiency of the Municipal services it is considered that the appointment of Chief Officers should be under the control of Government. Under the proposed new clauses Government may take power to appoint and control the Chief Officers in the case of any Town Municipal Council.

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BANGALORE, THURSDAY, JUNE 3, 1937.

PART IV.

Legislative Measures and Rules thereunder.

NOTIFICATIONS.

No. D. 8003—*I. & C.* 293-36-4, *dated Bangalore, the* 27—28*th May* 1937.

The following draft rules which the Government propose to make for the purpose of carrying into effect the provisions of the Mysore Maternity Benefit Regulation, 1937 in exercise of the powers conferred by Section 14 of the said Regulation, are hereby published for the information of persons likely to be affected thereby, and notice is hereby given that the said draft rules will be taken into consideration on or after the 30th day of June 1937. Any objections or suggestions which may be received from any person with respect to the said rules before the date aforesaid will be taken into consideration :—

1. These Rules may be cited as the Mysore Maternity Benefit Rules, 1937. Short Title.

2. In these Rules, unless there is anything repugnant in the subject or context :— Definitions.

(*a*) "Regulation" means the Mysore Maternity Benefit Regulation, 1937;

(*b*) "Section" means a section of the said Regulation.

Muster-Roll.

3. The employer of every Factory in which women are employed shall prepare and maintain a muster-roll in the Form of Schedule I appended to these Rules. The names and record of employment of all women emloyed in the Factory shall be entered therein and also the other particulars prescribed therein. All entries in the muster-roll shall be maintained up-to-date and it shall always be available for inspection by the Inspector.

4. The Inspector shall be primarily responsible for the administration of the Regulation, within the area assigned to him under the Mysore Factories Regulation, 1936.

Powers of Inspector.

5. (1) The Inspector may, within the area for which he is appointed, examine the muster roll maintained under Rule (3) and shall have power to make such enquiries and to require the production of such papers or documents as he considers necessary for the purpose of ascertaining whether the provisions of the Regulation and of these rules are properly carried out in any Factory or not; provided that he shall not require any employer to answer any question or to give any evidence tending to criminate himself.

(2) Every notice given under Sub-Section 1 of Section 6 of the Regulation and every receipt for maternity benefit paid to any person under the provisions of the Regulation or of these Rules shall, on demand, be produced before the Inspector.

Penalty for contravention of the Rules by any employer.

6. Any employer contravening the provisions of Rule 3 shall be liable, on conviction, to a fine not exceeding fifty rupees.

7. Any person who wilfully obstructs an Inspector in the exercise of his powers or the performance of his duties or fails to produce on demand the muster-roll, or notices given under Sub-section 1 of Section 6 of the Regulation or receipts for maternity benefits paid or other papers or documents necessary to enable the Inspector to ascertain that the provisions of the Regulation and these Rules have been complied with, shall be liable on conviction, to a fine not exceeding fifty rupees.

Return.

8. Every employer of women in a Factory shall furnish to the Chief Inspector of Factories by the 1st of August in each year, a Return in the Form of Schedule II appended to these Rules.

9. Records relating to the payment of maternity benefit under the provisions of the Regulation or of these Rules shall be preserved for a period of two years from the date of their preparation. Records.

By Order,

M. VENKATANARANAPPA,
Secretary to Government,
Development Department.

No. 4641—L. C., Bangalore, dated 28th May 1937.

Under Rule 8 of the rules for the conduct of business of the Mysore Legislative Council, the accompanying Bill further to amend the Code of Civil Procedure, 1911, is published for general information with the statement of objects and reasons.

By Order,

A. SUNDARARAJA RAO,
Secretary,
Mysore Legislative Council.

Bill further to amend the Code of Civil Procedure, 1911.

Whereas it is expedient further to amend the Code of Civil Procedure, 1911, for the purposes hereinafter appearing; It is hereby enacted as follows:—

1. (*a*) This Regulation may be called the Code of Civil Procedure (Amendment) Regulation of 193 . *Short title.*

(*b*) It shall extend throughout the State of Mysore.

(*c*) It shall come into force from—

2. To Section 51 of the Code of Civil Procedure, 1911 (hereinafter referred to as the said Code), the following proviso shall be added, namely:— *Addition of Proviso to Section 51.*

"Provided that where the decree is for the payment of money execution by detention in prison shall not be ordered unless, after giving the judgment-debtor na

opportunity for showing cause why he should not be committed to prison, the Court for reasons recorded in writing, is satisfied—

(*a*) that the judgment-debtor, with the object or effect of obstructing or delaying the execution of the decree,—

(i) is likely to abscond or leave the local limits of the jurisdiction of the Court, or

(ii) has, after the institution of the suit in which the decree was passed, dishonestly transferred, concealed, or removed any part of his property, or committed any other act of bad faith in relation to his property; or

(*b*) that the judgment-debtor has, or has had since the date of the decree, the means to pay the amount of the decree or some substantial part thereof and refuses or neglects or has refused or neglected to pay the same; or

(*c*) that the decree is for a sum for which the judgment-debtor was bound in a fiduciary capacity to account.

Explanation.—In the calculation of the means of the judgment-debtor for the purposes of clause (*b*), there shall be left out of account any property which, by or under any law or custom having the force of law for the time being in force, is exempt from attachment in execution of the decree.

STATEMENT OF OBJECTS AND REASONS.

The Bill seeks to amend Section 51 of the Code of Civil Procedure, 1911, in regard to the imprisonment of judgment-debtors. The object is to protect honest debtors from detention in the civil prison and to confine such detention to debtors proved to be recalcitrant or fraudulent. The Bill provides that no order for execution by detention in prison shall be issued unless the debtor has been given an opportunity of showing cause why he should not be committed to prison and the Court is satisfied, for reasons recorded in writing, that the debtor is likely to leave the local limits of the Court or has fraudulently disposed of his property or that he is able to pay the amount of the decree otherwise than from protected assets.

The Bill applies to all judgment-debtors. This is on the lines of Act XXI of 1936 of the Indian Legislature.

No. 4643 L. C.,—Bangalore, dated 28th May 1937.

Under Rule 8 of the rules for the conduct of business of the Mysore Legislative Council, the accompanying Bill to further amend the Mysore Civil Courts Regulation, 1883, is published for general information with the statement of objects and reasons.

By Order,

A. SUNDARARAJA RAO,

Secretary,

Mysore Legislative Council.

Bill to further amend the Mysore Civil Courts Regulation, 1883.

Whereas it is expedient to further amend the Mysore Civil Courts Regulation, 1883; It is hereby enacted as follows :—

1. *Substitute the following for Section 4-A of the Regulation.*—"The Government of Mysore may, by notification, fix, and from time to time, vary the number of Judges to be appointed for a District or Subordinate Judge's or Munsiff's Court."

2. *Substitute the following for Section 4-B of the Regulation.*—"When more than one Judge is appointed for a District or Subordinate Judge's or Munsiff's Court, one of the Judges shall be appointed the Principal Judge and the others Additional Judges."

"Each of the Judges appointed to a District or Subordinate Judge's or to a Munsiff's Court, may exercise all or any of the powers conferred on the Court by this Regulation or any other law for the time being in force.

"Subject to the general or special orders of the High Court, the Principal District Judge may and subject to the general or special orders of the District Judge. The Principal Subordinate Judge or the Principal Munsiff may, from time to time, make such arrangements as he thinks fit for the distribution of the business of the Court among the various Judges thereof."

STATEMENT OF OBJECTS AND REASONS.

The Mysore Civil Courts Regulation I of 1883, was amended by Regulation VII of 1926 so as to make it possible to appoint more than one Subordinate Judge to a Subordinate Judge's Court and more than one Munsiff to a Munsiff's Court. On that occasion no amendment was made so that more than one District Judge could be appointed to a District Court. Whenever arrears accumulate in any District Court it becomes necessary to establish an additional District Court with separate establishment for temporary periods. The High Court will have to formally transfer suits and proceedings from the permanent to temporary Courts and re-transfer them to the permanent Court when the additional Court ceases to exist. Difficulties will also arise in the matter of the execution of the decrees and orders passed by the additional Court when it is abolished. The most convenient and economical course in such circumstances would be to add a Judge temporarily to an existing District Court.

The present Bill is intended to provide for the appointment, when necessary, of more than one District Judge for a District Court, so as to avoid the inconveniences mentioned above.

No. L. C. 4645—Bangalore, dated 28th May 1937.

Under Rule 8 of the rules for the conduct of business of the Mysore Legislative Council, the following Bill further to amend the Indian Penal Code (as in force in Mysore) is published for general information with the statement of objects and reasons.

By Order,

A. SUNDARARAJA RAO,

Secretary,

Mysore Legislative Council.

Bill further to amend the Indian Penal Code (As in force in Mysore).

Whereas it is expedient further to amend the Indian Penal Code as in force in Mysore; It is hereby enacted as follows :—

1. This Regulation may be called the Indian Penal Code (Amendment) Regulation, 19.....

2. In Section 375 of the Indian Penal Code as in force in Mysore in clause *Fifthly* for the word "twelve" the word "fourteen" shall be substituted. Amendment of Section 375.

STATEMENT OF OBJECTS AND REASONS.

According to Section 375 of the Indian Penal Code as in force in Mysore, the age of consent is 12 both within and outside marital connection. This is considered too low for sufficient protection of minor girls. It has been revised in British India by Act XXIX of 1925. It is now proposed to raise the age to 14 as against strangers leaving the age in marital cases unaffected as the legal age of marriage remains unaffected.

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PART IV.

Legislative Measures and Rules thereunder.

NOTIFICATIONS.

No. T. 2351—R. T. 9-36-13, dated Bangalore, the 7th June 1937.

In exercise of the powers conferred upon them under Section 13 of the Mysore Road Traffic and Taxes Regulation VI of 1935, the Government of His Highness the Maharaja are pleased to exempt the motor buses plying within the Mysore City Municipal area, in respect of which monopoly has been granted to Mr. C. Perumal Chetty, from the payment of the Mileage Cess leviable under Schedule II-D of the said Regulation and to reduce the Service Tax payable in respect of the said Motor Buses to Rs. 3-12-0 per seat per quarter for one year, *i.e.*, from 1st July 1937 to 30th June 1938.

By Order,

M. VENKATESA IYENGAR,

Secretary to Government,
General Department.

No. D. 8003—I. & C. 293-36-4, dated Bangalore, the 27—28th May 1937.

The following draft rules which the Government propose to make for the purpose of carrying into effect the provisions of the Mysore Maternity Benefit Regulation, 1937 in exercise of the powers conferred by Section 14 of the said Regulation, are hereby published for the information of persons likely to be affected thereby, and notice is hereby given that the said draft rules will be taken into consideration on or after the 30th day of June 1937. Any objections or suggestions which may be received from any person with respect to the said rules before the date aforesaid will be taken into consideration :—

Short Title.

1. These Rules may be cited as the Mysore Maternity Benefit Rules, 1937.

Definitions.

2. In these Rules, unless there is anything repugnant in the subject or context :—

(*a*) "Regulation" means the Mysore Maternity Benefit Regulation, 1937,

(*b*) "Section" means a section of the said Regulation.

Muster Roll.

3. The employer of every Factory in which women are employed shall prepare and maintain a muster roll in the Form of Schedule I appended to these Rules. The names and record of employment of all women employed in the Factory shall be entered therein and also the other particulars prescribed therein. All entries in the muster roll shall be maintained up-to-date and it shall always be available for inspection by the Inspector.

4. The Inspector shall be primarily responsible for the administration of the Regulation, within the area assigned to him under the Mysore Factories Regulation, 1936.

Powers of Inspector.

5. (1) The Inspector may, within the area for which he is appointed, examine the muster roll maintained under Rule (3) and shall have power to make such enquiries and to require the production of such papers or documents as he considers necessary for the purpose of ascertaining whether the provisions of the Regulation and of these rules are properly carried out in any Factory or not;

provided that he shall not require any employer to answer any question or to give any evidence tending to criminate himself.

(2) Every notice given under Sub-Section 1 of Section 6 of the Regulation and every receipt for maternity benefit paid to any person under the provisions of the Regulation or of these Rules shall, on demand, be produced before the Inspector.

Penalty for contravention of the Rules by any employer.

6. Any employer contravening the provisions of Rule 3 shall be liable, on conviction, to a fine not exceeding fifty rupees.

7. Any person who wilfully obstructs an Inspector in the exercise of his powers or the performance of his duties or fails to produce on demand the muster roll, or notices given under Sub-section 1 of Section 6 of the Regulation or receipts for maternity benefits paid or other papers or documents necessary to enable the Inspector to ascertain that the provisions of the Regulation and these Rules have been complied with, shall be liable on conviction, to a fine not exceeding fifty rupees.

Return.

8. Every employer of women in a Factory shall furnish to the Chief Inspector of Factories by the 1st of August in each year, a Return in the Form of Schedule II appended to these Rules.

Records.

9. Records relating to the payment of maternity benefit under the provisions of the Regulation or of these Rules shall be preserved for a period of two years from the date of their preparation.

By Order,

M. VENKATANARANAPPA,

Secretary to Government,

Development Department.

SCHEDULE I.

(SEE RULE 3).

Form of Muster Roll.

Month of 193

Muster Roll to be maintained up-to-date under the Mysore Maternity Benefit Regulation:

Name	Department	Ticket or Departmental No.	Date 1 2 3 4 5 6 31	Total days	Date on which notice of expected confinement was given (Section 6 (1))	Date of birth of child	Date of production of certified extract from the Birth Register	Date of 1st Payment and amount of same (Section 6 (3))	Date of subsequent payments and amounts thereof (Section 6 (3))	If the woman dies, date and amount of maternity benefit paid and the name of persons to whom paid	Remarks
	2	3	4	5	6	7	8	9	10	11	12

SCHEDULE II.

(SEE RULE 8.)

Return to be submitted to the Chief Inspector of Factories on or before the 1st of August each year.

Name of Factory ...	
Name of Occupier ...	
Name of Manager ...	
Year ending 30th June ...	
Average No. of women employed daily ...	
Number of women who claimed Maternity Benefit under Section 6 (1) of the Regulation.	
Number of women who were paid Maternity Benefit for actual births.	
Number of other persons who were paid Maternity Benefit (Section 7).	
Total amount of Maternity Benefit paid...	

Dated .....

.....

(Signature) .....

Employer .....

No. 5501—*L. C., Bangalore, dated 7th June* 1937.

Under Rule 8 of the rules for the conduct of business of the Mysore Legislative Council, the accompanying Bill to amend the Sugar (Excise Duty) Regulation, II of 1934, is published for general information with the statement of objects and reasons.

By Order,

A. SUNDARARAJA RAO,

Secretary,

Mysore Legislative Council.

A Bill to amend the Sugar (Excise Duty) Regulation II of 1934.

Whereas it is expedient to revise the Excise Duty on Sugar; It is hereby enacted as follows:—

Short title.

1. (1) This Regulation may be called the Sugar (Excise Duty) Amendment Regulation, 1937.

Repeal.

(2) The Sugar (Excise Duty) Amendment Emergency Regulation VII of 1937, is hereby repealed.

Amendment of Section 3.

2. In sub-section (2) of Section 3 of the Sugar (Excise Duty) Regulation, 1934—

(*a*) in clause (i) for the words "ten annas" the words "one rupee and five annas" shall be substituted, and

(*b*) in clause (ii) for the words "one rupee and five annas" the words "two rupees" shall be substituted.

STATEMENT OF OBJECTS AND REASONS.

The Excise Duty on Sugar (other than Khandsari and Palmyra Sugar) both in British India and in Mysore was one rupee and five annas per cwt. The duty was raised to two rupees in British India with effect from 28th February 1937. The duty in Mysore had to be similarly raised to avoid the Government of India levying an import duty equal to the difference on the Mysore Sugar exported to British India, as it would have been a serious hindrance to the free movement of sugar from the Mysore

State. An Emergency Regulation was therefore passed here on 28th February 1937, raising the duty from one rupee and five annas to two rupees per cwt.

Section 3 of the Indian Finance Act, 1937, contains a provision for raising the duty on Khandsari Sugar from ten annas to one rupee and five annas.

As the Emergency Regulation expires on 28th August 1937, and as the enhanced duty will have to be in force after that date also, this bill is designed to empower Government to levy the duty at the revised rates.

No. 5503—L. C., dated Bangalore, 7th June 1937.

Under Rule 8 of the rules for the conduct of business of the Mysore Legislative Council, the accompanying Bill to amend the Mysore City Municipalities Regulation, 1933, is published for general information with the statement of objects and reasons.

By Order,
A. SUNDARARAJA RAO,
Secretary,
Mysore Legislative Council.

Bill to amend the Mysore City Municipalities Regulation, 1933.

Whereas it is expedient to amend the Mysore City Municipalities Regulation, 1933; It is hereby enacted as follows:—

The following shall be inserted as Sections 232A and 232 B, namely:—

"232 A. (1) Notwithstanding anything contained in this Regulation, the Government shall have power to transfer any officer or servant of a Municipality to the service of any other Municipality or of any District Board constituted under the Mysore District Boards' Regulation, 1926, or of any Government Department.

(2) The Government shall have power to issue such general or special directions as they may think necessary for the purpose of giving due effect to transfers made under sub-section (1).

232B. The Government may delegate all or any of its powers under this Regulation to any officer subordinate to it."

STATEMENT OF OBJECTS AND REASONS.

There is no provision in the Mysore City Municipalities Regulation, 1933, as it stands at present, for the transfer of employees from one Municipality to another. Government consider that there should be provision for the transfer of the officers and servants of one Municipality to the service of any other Municipality or of any District Board or of a Government Department. Such a provision will prevent stagnation of employees in one place and the consequent loss in efficiency. At present the Revenue Commissioner has been authorised to take action for effecting the transfer of officials of the City Municipalities. The new section gives power to Government to transfer the employees of a Municipality and also enables the Government to delegate its power to any officer of Government.

No. L. C. 5505—Bangalore, dated 7th June 1937.

Under Rule 8 of the rules for the conduct of business of the Mysore Legislative Council, the accompanying Bill to amend the Mysore Town Municipalities Regulation, 1933, is published for general information with the statement of objects and reasons.

By Order,
A. SUNDARARAJA RAO,
Secretary,
Mysore Legislative Council.

Bill to amend the Mysore Town Municipalities Regulation, 1933.

Whereas it is expedient to amend the Mysore Town Municipalities Regulation, 1933; It is hereby enacted as follows:—

After Section 208 of the Regulation, the following shall be inserted, namely:—

"208-A (1) Notwithstanding anything contained in this Regulation, the Government shall have power to

transfer any officer or servant of a Municipality to the service of any other Municipality or of any District Board constituted under the Mysore District Boards' Regulation, 1926, or of any Government Department.

(2) The Government shall have power to issue such general or special directions as they think necessary for the purpose of giving due effect to transfers made under sub-section (1)."

STATEMENT OF OBJECTS AND REASONS.

There is no provision at present in the Mysore Town Municipalities Regulation, 1933, for the transfer of employees from one Municipality to another. Government consider that there should be provision for the transfer of the officers and servants of one Municipality to the service of another Municipality or of a District Board or of a Government Department. Such a provision will prevent stagnation of employees in one place and the consequent loss in efficiency. The new section gives power to Government to transfer the officers and servants of one Municipality to any other Municipality or to a District Board or to a Government Department.

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BANGALORE, THURSDAY, JUNE 24, 1937.

PART IV.

Legislative Measures and Rules thereunder.

NOTIFICATIONS.

No. P. 6995—Police 35-36-20, dated Bangalore, the 14—16th June 1937.

In continuation of Notification *No. P. 2082—Pol. 78-26-2, dated 15th November 1926*, extending the provisions of clauses (a), (b), (c), (i) and (p) of Section 56 of the Mysore Police Regulation V of 1908 to Bethamangala Town, the Government of His Highness the Maharaja are pleased to extend the provisions of Clauses (f) and (o) of the said Section of the said Police Regulation V of 1908 as amended from time to time, to Bethamangala Town.

No. P. 7051—Legis. 42-36-2, dated Bangalore, 23rd June 1937.

In exercise of the powers vested in them under Section 7 (6) of the Cenematograph Regulation, 1923, Government direct that the film "Bhaktha Nandanar" be deemed to be an uncertified film in the Kolar Gold Fields area.

By Order,
B. T. KESAVIENGAR,
Chief Secretary to Government.

No. T. 2420—R. T. 38-36-15, dated Bangalore, 23rd June 1937.

In supersession of Notification No. T. 1831—R. T. 38-36-8, dated the 8—10th April 1937, the following draft of a rule, which the Government propose to make, in exercise of the powers vested in them under Section 11 of the Mysore Motor Vehicles Regulation, 1928, is published under sub-section (1) of the said Section, for the information of all persons interested. Any objection or suggestion which may be received before the 30th June 1937, will be taken into consideration by Government before the issue of the rule finally.

DRAFT AMENDMENT.

After Rule 39 of the Mysore Motor Vehicles Rules, 1924, as amended from time to time, add the following as Rule 39 A :—

"39 A. No motor lorry the weight of which, including the maximum load permissible under the manufacturer's specifications, transmitted to the surface of the road, or other base whereon the motor vehicle moves or rests, exceeds six tons shall be permitted to ply on any road in Mysore State."

No. D. 8711—C. S. 11-36-125, dated Mysore, the 18th—23rd June 1937.

The Government of His Highness the Maharaja of Mysore are pleased to make the following amendment to the third paragraph of Rule 18 of the Rules issued under Section 44 of the Mysore Co-operative Regulation, VII of 1918, as amended from time to time.

"Substitute the following for the third paragraph of Rule 18."

The Bonus or Honorarium payable to Secretaries of Co-operative Societies shall not exceed 15 per cent of the net profits remaining after contribution to the Reserve Fund subject to a maximum of Rs. 300 per annum. In cases where the bonus calculated on the above basis falls below Rs. 30, the General Body may, subject to the approval of the Registrar, sanction a bonus not exceeding Rs. 30 whether or not such bonus exceeds 15 per cent of the net profits as hereinbefore mentioned. Where no clerical assistance is given to the Secretary, an additional 5 per cent may be allowed notwithstanding the fact that such addition may make the whole bonus exceed Rs. 300.

No. T. 2424—R. T. 38-36-16, dated Bangalore, the 23rd June 1937.

ERRATA.

In line 1 para. 2 of rule 56 of the rules regarding Public Service Motor Vehicles issued with Notification No. P. 3992—Legis. 46-35-17, dated 18th December 1935, *read* 'shorts' for "shirts". The rule after correction will read as follows:—

"Khaki trousers or shorts and khaki closed coats with five buttons and a cap or a turban or a hat"

By Order,

M. VENKATESA IYENGAR,
Secretary to Government,
General Department.

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BANGALORE, THURSDAY, JULY 1, 1937.

PART IV.

Legislative Measures and Rules thereunder.

NOTIFICATIONS.

No. T. 2444—*R. T.* 14-36-16, *dated Bangalore, the* 24*th June* 1937.

In exercise of the powers conferred upon them under Section 13 of the Mysore Road Traffic and Taxes Regulation No. VI of 1935, the Government of His Highness the Maharaja of Mysore are pleased to exempt the Motor buses plying for hire solely within the Municipal limits of Shimoga Town from payment of the mileage cess.

No. T. 2482—*R. T.* 38-36-17, *dated Bangalore,* 24*th June* 1937.

In exercise of the powers conferred on them by Sections 23, 24 and 33 of the Mysore Road Traffic and Taxes Regulation VI of 1935, the Government of His Highness the Maharaja are pleased to issue the following amendment, the draft notification in this behalf having been published with Notification No. T. 2227—R. T. 38-36-13, dated 25th May 1937, at page 101 of Part IV of the *Mysore Gazette,* dated 27th May 1937 :—

AMENDMENT.

Add the following as Clause (j) to Rule 2 of the Rules regarding permits for motor lorries and re-number the existing Clause (j) as (k).

"(j) belonging to Government or any Department of Government."

No. T. 2507—R. T. 66-36-5, dated Bangalore, the 25th June 1937.

In virtue of the powers vested in them under Sections 14 and 15 of the Mysore Road Traffic and Taxes Regulation No. VI of 1935, the Government of His Highness the Maharaja are pleased to direct that the Toll Gates noted below be abolished with effect from 1st July 1937.

I. BANGALORE DISTRICT.

1. Byagadenahalli.
2. Varadapura.

II. KOLAR DISTRICT.

1. Jangam Kote.
2. Sadali.
3. Chelur.
4. Sampangere.

III. TUMKUR DISTRICT.

1. Badavanahalli.
2. Byranahalli.
3. Bychapura.
4. Honnenahalli.
5. Bidarammangudi.
6. Togaragunte.
7. Chelur.

IV. MYSORE DISTRICT.

1. Mollanaikanahalli (Nidasale).
2. Madapur Kaliyur.

V. SHIMOGA DISTRICT.

1. Chennagiri.
2. Pataguppa.
3. Humchadkatte.
4. Sulekere.
5. Sowlanga.
6. Malebennur.

VI. KADUR DISTRICT.

1. Ammadi.
2. Gundakal.
3. Ajjampura.
4. Belliganur (Birur-Lingadahalli.)
5. Payagondahalli.
6. Thadasa.
7. Gullampet.

VII. CHITALDRUG DISTRICT.

1. Chellakere.
2. Gutte Katte.
3. Kellodu.
4. Hadadi.
5. Melli Katte.
6. Kallahalli.

VIII. HASSAN DISTRICT.

1. Dudda.

No. T. 2551—R. T. 38-36-18, dated Bangalore, 26—28th June 1937.

The following draft of a rule which the Government propose to make in virtue of the powers vested in them under Section 11 of the Mysore Motor Vehicles Regulation, 1928, is hereby published for the information of persons likely to be affected thereby and notice is hereby given that any objections or suggestions in respect of the said draft received on or before the 15th July 1937 will be considered by Government.

Draft Rules.

The following rule will be added as Rule 21 (A) to the Mysore Motor Vehicles Rules, 1924, as amended from time to time:—

21. (A) Left-hand-drive motors.

No motor vehicle with a left hand steering control will be registered unless it is provided on its right or off-side with a mechanical signalling apparatus of a pattern approved of by the registering authority, which shall, when in operation, indicate to the following traffic the driver's intention of turning to the right or of his intention of stopping the vehicle: Provided that in all cases of such motor vehicles as have been already registered but are not provided with such apparatus, a period of six months from the date of the introduction of this rule is permitted for installing such apparatus.

No. T. 2565—R. T. 38-36-19, dated Bangalore, 28—29th June 1937.

The following draft of a rule which the Government propose to make in virtue of the powers vested in them under Section 11 of the Mysore Motor Vehicles Regulation 1928, is hereby published for the information of persons likely to be affected thereby and notice is hereby given that any suggestions or objections in respect of the said draft received on or before the 15th July 1937 will be taken into consideration by Government.

DRAFT AMENDMENT.

The following rule will be added as Rule 4(*b*) to the Mysore Motor Vehicles Rules 1924 as amended from time to time :—

4B. Every Trailer shall be registered as a motor vehicle and the provision of the rules relating to registration of motor vehicles shall so far as may be practicable apply to such registration.

The fee payable in respect of registration of a Trailer shall be Rs. 4.

Every Trailer shall have a brake or brakes of such type and capable of being applied in such manner, as may be approved by the registering authority.

No. T. 2577—*R. T.* 77-36-2, *dated Bangalore, the* 29*th June* 1937.

In modification of Rule 2 (*a*) (iii) of the Mysore Motor Vehicles Tax Rules published with notification No. P. 3812—Legis. 46-35, dated 11th December 1935, appointing the officers in charge of Taluk Treasuries at all Taluk Headquarters as Licensing Officers under the Mysore Road Traffic and Taxes Regulation, VI of 1935, for collecting Vehicle, Service and Road Taxes due on motor vehicles and for grant of licenses, the Government of His Highness the Maharaja are pleased to direct that the Treasury Officers at the following Taluk Headquarters shall cease to be licensing officers from the 1st July 1937.

1.	Hoskote	Taluk Treasury	...	Bangalore District.
2.	Anekal	do	...	do
3.	Kankanhalli	do	...	do
4.	Closepet	do	...	do
5.	Magadi	do	...	do
6.	Nelamangala	do	...	do
7.	Dodballapur	do	...	do
8.	Devanhalli	do	...	do
9.	Kolar	do	...	Kolar District.
10.	Bowringpet	do	...	do
11.	Chintamani	do	...	do
12.	Mulbagal	do	...	do
13.	Sidlaghatta	do	...	do
14.	Chikballapur	do	...	do

15.	Bagepalli	Taluk Treasury	...	Kolar District.
16.	Goribidnur	do	...	do
17.	Malur	do	...	do
18.	Srinivaspur	do	...	do
19.	Tumkur	do	...	Tumkur District.
20.	Madhugiri	do	...	do
21.	Chiknayakanhalli	do	...	do
22.	Sira	do	...	do
23.	Gubbi	do	...	do
24.	Pavagada	do	...	do
25.	Kunigal	do	...	do
26.	Koratagere	do	...	do
27.	Krishnarajnagar	do	...	Mysore District.
28.	Heggaddevankote	do	...	do
29.	T.-Narsipur	do	...	do
30.	Krishnarajpete	do	...	do
31.	Nagamangala	do	...	do
32.	Maddur	do	...	do
33.	Hassan	do	...	Hassan District.
34.	Channarayapatna	do	...	do
35.	Arkalgud	do	...	do
36.	Channagiri	do	...	Shimoga District.
37.	Honnali	do	...	do
38.	Shikarpur	do	...	do
39.	Chikmagalur	do	...	Kadur District.
40.	Kadur	do	...	do
41.	Challakere	do	...	Chitaldrug District.
42.	Holalkere	do	...	do
43.	Jagalur	do	...	do
44.	Hiriyur	do	...	do
45.	Hosdurga	do	...	do

No. T. 2590—R. T. 9-36-19, dated Bangalore, the 29—30th June 1937.

In exercise of the powers conferred on them under Section 13 of the Mysore Road Traffic and Taxes Regulation VI of 1935, the Government of His Highness the Maharaja of Mysore are pleased to exempt from payment of Road Tax due under the said Regulation, the motor lorry No. Mys. 8282, used by Messrs. John Taylor & Sons Committee, Kolar Gold Fields, for the transport of Rescue Apparatus.

By Order,

M. VENKATESA IYENGAR,
Secretary to Government,
General Department.

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BANGALORE, THURSDAY, JULY 8, 1937.

PART IV.

Legislative Measures and Rules thereunder.

NOTIFICATIONS.

No. P. 7255—Pol. 35-36-22, dated Bangalore, the 29—30th June 1937.

The Government of His Highness the Maharaja are pleased to extend the provisions of Section 56 of the Mysore Police Regulation, V of 1908, as amended from time to time, to the undermentioned places of Mysore District :—

1.	Sosale	...	...	T.-Narsipur Taluk.
2.	Mugur	...	...	"
3.	Gargeswari	...	...	"
4.	Talkad	...	...	"
5.	Kadakola	...	...	Mysore Taluk.
6.	Ramasamudra	...	...	Chamarajanagar Taluk.
7.	Udigal	...	...	"
8.	Santhemarhalli	...	...	"
9.	Ummathur	...	...	"
10.	Honganur	...	...	"
11.	Kuderu	...	...	"
12.	Mangala	...	...	"
13.	Terakanambi	...	...	Gundlupet Taluk.
14.	Begur	...	...	"

15.	Kowlande	...	... Nanjangud Taluk.
16.	Hullahalli	...	... "
17.	Thgadur	...	... "
18.	Badanaval	...	... "
19.	Kalale	...	... "
20.	Nagarle	...	... "
21.	Hanasoge	...	... Krishnarajnagar Taluk.
22.	Hampapur	...	... "
23.	Hosa Agrahar	...	... "
24.	Bherya	...	... "
25.	Bettadapur	...	... (Periyapatna Sub-Taluk).
26.	Bilikere	...	... Hunsur Taluk.
27.	Kattemalalvadi	...	... "
28.	Agara	...	... Yelandur Taluk.
29.	Mamballi	...	... "

By Order,

B. T. KESAVIENGAR,

Chief Secretary to Government.

No. T. 22—R. T. 43-36-12, Bangalore, dated the 1st—2nd July 1937.

In virtue of the powers vested in them, under Sections 14 and 15 of the Mysore Road Traffic and Taxes Regulation No. VI of 1935, the Government of His Highness the Maharaja are pleased to direct that the Lakkampur Frontier toll-gate, which is at present situated about 4 miles from the frontier, be shifted to Gadimakunte, 1½ miles from the frontier on the Vijapur-Ujjini Road in Jagalur Taluk, Chitaldrug District.

By Order,

M. VENKATESA IYENGAR,

Secretary to Government,
General Department.

No. L. 201—V. P. 50-36-3, dated Bangalore, 2nd July 1937.

In exercise of the powers conferred by Section 65 (2) (g) of the Village Panchayet Regulation, as amended from time to time, Government are pleased to direct that the following be added as Rule 31(A) after Rule 31 under "Power of Sanction" in the rules issued with Government Notification No. L. 4346—L. B. 26-26-127, dated 6th January 1937.

RULE.

31A. *Arrear Bills.*—Arrear pay and allowances should be drawn separately, the amount claimed for each month being entered separately with a quotation of the bill in which the charge was omitted or withheld or on which it was refunded by deduction or of any special order granting a new allowance. When arrears are paid, the number and date of the voucher should be noted in the original bill in which the charge was withheld or omitted or in which it was refunded against the particular item in order to prevent a second claim being entertained.

Payment of claims of arrears of pay or allowances on increments which have been allowed to remain in abeyance for a period exceeding one year requires the sanction of the Deputy Commissioner.

No. D. 16 Geol. 82-36-5, dated Bangalore, the 25th June—1st July 1937.

The following draft amendments to Schedules I and II of the Mysore Explosives Rules, which the Government of His Highness the Maharaja of Mysore propose to make, in virtue of powers conferred on them by Section 4 of the Mysore Explosives Regulation No. II of 1888, are hereby published for the information of persons likely to be affected thereby. Any suggestions or objections regarding the draft amendments will be received till 30th July 1937, after which date, the draft will be taken into consideration.

AMENDMENTS.

(i) *Substitute* for item 1 of Schedule I of the Mysore Explosive Rules, the following :—

No.	Form of license (see Schedule II)	Purpose for which granted	Kinds and maximum quantities of explosives for which granted	Authority entitled to grant license	Fee	Period for which license is valid
1	1	To import into the Mysore State.	Any authorised explosive not exceeding the quantity authorised to be possessed.	The District Magistrate.	Free of charge.	...

NOTE.—Application for the export of explosives from British India into the Mysore State should be submitted to the Hon'ble the Resident in Mysore, through the District Magistrate together with the license granted for the import and possession of explosives and the Stock Certificate. The fee prescribed under the Indian Arms Rules for an export license shall be paid to the Resident's Treasury in cash by Money Order or in a registered cover.

(ii) In the 2nd column of item 2 of schedule I, *substitute* "2" for "1".

(iii) In Schedule II, the present form No. 1 will be renumbered as Form 2, and the new form prescribed for import license will be Form 1 of Schedule II appended hereto.

SCHEDULE II.

FORM I.

(Article 1 of Schedule I.)

(Free of charge)

License to import explosives into the Mysore State.

Name &c. and address of license-holders	Number of packages	Explosives		Purpose for which required	Destination	Period for which the license is valid
		Description	Weight No.			
						From To the of 193

.....DISTRICT.

DATED.....193

Seal.

(Signature)
of District Magistrate
of District.

CONDITIONS.

1. This license is given subject to the provisions of the Mysore Explosives Regulation No. II of 1888 and the Rules framed thereunder.

2. This license shall become void after the expiry of the period named thereon.

3. On the outside of each package, there shall be affixed in conspicuous characters by means of a brand or securely attached label or mark, the word "Explosive" followed by the name of the explosives or other description of the contents and the name and address of the owners or senders.

By Order,

M. VENKATANARANAPPA,
Secretary to Government,
Development Department.

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PART IV.

Legislative Measures and Rules thereunder.

NOTIFICATIONS.

No. Pol. 184-36-4, *dated Bangalore*, 7—8*th July* 1937.

In Notification No. P. 6593—Pol. 184-36-2, dated 24—25th May 1937, regarding the enforcement of the rules for the prohibition of double riding on bicycles in certain places of the Mysore District, *read* "(11) Udigal in Chamarajanagar Taluk" *for* "(11) Netigal in Chamarajanagar Taluk."

No. P. 196—*Pol.* 2-37-4, *dated Bangalore*, 12—13*th July* 1937.

The Government of His Highness the Maharaja are pleased to extend the provisions of Section 56 of the Police Regulation V of 1908 as amended from time to time, to Belakavadi village in Malvalli Taluk, Mysore District.

By Order,

B. T. KESAVIENGAR,

Chief Secretary to Government.

No. T. 144—R. T. 38-36-21, dated Bangalore, the 13th July 1937.

The following draft of a rule which the Government propose to make in exercise of the powers vested in them under Section 11 of the Mysore Motor Vehicles Regulation, 1928, is published under Sub-Section 1 of the said Section for the information of persons likely to be affected thereby. Any objection or suggestion which may be received in respect of the said draft before the 31st of July 1937 will be considered by Government before the issue of the rule finally.

DRAFT RULE.

After the Rule 39A of the Mysore Motor Vehicles Rules, 1924, as amended from time to time *add* the following rule as 39B :—

Weighment of over-loaded Motor Lorries.—The Registering Authority or a Police Officer not below the rank of a Sub-Inspector of Police, may, if he has reasonable grounds to suspect that any motor lorry, whether a private lorry or one plying for hire has exceeded the maximum weight which it is permitted to carry, may direct the driver of the said vehicle to drive it to a weighbridge or other weighing apparatus for the purpose of ascertaining the load and the driver shall forthwith comply with such order.

No. T. 154—R. T. 32-36-8, dated Bangalore, 12th July 1937.

In exercise of the powers conferred on them under Sections 13 and 22 of the Mysore Road Traffic and Taxes Regulation VI of 1935, the Government of His Highness the Maharaja are pleased to exempt from payment of all taxes and tolls under the said Regulation and also all tolls due under the Municipal Regulations the motor vehicles belonging to His Excellency the Governor of Madras.

By Order,

M. VENKATESA IYENGAR,

Secretary to Government,
General Department.

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BANGALORE, THURSDAY, JULY 22, 1937.

PART IV.

Legislative Measures and Rules thereunder.

NOTIFICATIONS.

Order No. P. 323—*Legis.* 2-37-1, *dated Bangalore,* 16—19*th July* 1937.

Ordered that the accompanying Regulation further to amend the Mysore Civil Courts Regulation, 1883, which received the assent of His Highness the Maharaja on the tenth day of July 1937, be published as Regulation No. VIII of 1937, in the *Mysore Gazette* for general information.

M. VENKATESA IYENGAR,
Secretary to Government,
General Department.

REGULATION VIII OF 1937.

(Received the assent of His Highness the Maharaja on the tenth day of July 1937.)

Regulation further to amend the Mysore Civil Courts Regulation, 1883.

Whereas it is expedient to further amend the Mysore Civil Courts Regulation, 1883; It is hereby enacted as follows :—

1. *Substitute the following for Section 4-A of the Regulation* :—

"The Government of Mysore may, by notification, fix, and from time to time, vary the number of Judges to be appointed for a District or Subordinate Judge's or Munsiff's Court."

2. *Substitute the following for Section 4-B of the Regulation* :—

"When more than one Judge is appointed for a District or Subordinate Judge's or Munsiff's Court, one of the Judges shall be appointed the Principal Judge and the others Additional Judges."

"Each of the Judges appointed to a District or Subordinate Judge's or to a Munsiff's Court, may exercise all or any of the powers conferred on the Court by this Regulation or any other law for the time being in force."

"Subject to the general or special orders of the High Court, the Principal District Judge may and subject to the general or special orders of the District Judge, the Principal Subordinate Judge or the Principal Munsiff may, from time to time, make such arrangements as he thinks fit for the distribution of the business of the Court among the various Judges thereof."

MIRZA M. ISMAIL,
Dewan.

Order No. P. 321—*Legis.* 3-37-1, *dated Bangalore,* 15—19*th July* 1937.

Ordered that the accompanying Regulation further to amend the Indian Penal Code which received the assent of His Highness the Maharaja on the tenth day of July 1937, be published as Regulation No. IX of 1937, in the *Mysore Gazette* for general information.

M. VENKATESA IYENGAR,
Secretary to Government,
General Department.

REGULATION IX OF 1937.

(*Received the assent of His Highness the Maharaja on the tenth day of July 1937.*)

Regulation further to amend the Indian Penal Code.

WHEREAS it is expedient further to amend the Indian Penal Code as in force in Mysore; It is hereby enacted as follows:—

(1) This Regulation may be called the Indian Penal Code (Amendment) Regulation, 1937.

(2) In Section 375 of the Indian Penal Code as in force in Mysore in clause *Fifthly* for the word "twelve" the word "fourteen" shall be substituted. Amendment of Section 375.

MIRZA M. ISMAIL,
Dewan.

Order No. P. 324—Legis. 4-37-1—dated Bangalore, 16—19th July 1937.

Ordered that the accompanying Regulation to amend the Sugar (Excise Duty) Regulation II of 1934 which received the assent of His Highness the Maharaja on the tenth day of July 1937, be published as Regulation No. X of 1937, in the *Mysore Gazette* for general information.

M. VENKATESA IYENGAR,
Secretary to Government,
General Department.

REGULATION X OF 1937.

(Received the assent of His Highness the Maharaja on the tenth day of July 1937).

A Regulation to amend the Sugar (Excise Duty) Regulation II of 1934.

Where as it is expedient to revise the Excise Duty on Sugar; It is hereby enacted as follows:—

Short title.

1. (1) This Regulation may be called the Sugar (Excise Duty) Amendment Regulation, 1937.

Repeal.

(2) The Sugar (Excise Duty) Amendment Emergency Regulation VII of 1937, is hereby repealed.

Amendment of Section 3.

2. In sub-section (2) of Section 3 of the Sugar (Excise Duty) Regulation, 1934:

(*a*) in clause (i) for the words "ten annas" the words "one rupee and five annas" shall be substituted, and

(*b*) in clause (ii) for the words "one rupee and five annas" the words "two rupees" shall be substituted.

MIRZA M. ISMAIL,
Dewan.

No. L. 583—Ml. 121-36-7, dated Bangalore, 14th July 1937.

In exercise of the powers vested under sections 6 (3) (*a*) and 106 (2) (*b*) of the Minor Municipalities Regulation, 1933, and all other powers in this behalf, Government are pleased to direct that the following rule be added as "10 (A)" to the rules issued in Notification No. L. 1399—Ml. 91-33-1, dated 22nd August 1933, for regulating the election of members to the Municipal Councils in the Minor Municipalities in the State:—

DEPOSITS BY CANDIDATES.

10 (A). (1) Every candidate shall deposit or cause to be deposited in a Government Treasury, a sum of twenty-five rupees in cash and forward the treasury receipt along with his application for candidature and no application shall be valid unless accompanied by such receipt.

Savings Bank Deposits or State Loan Bonds of equal value at the market rate of the day, shall, if tendered, be accepted from candidates standing for election in lieu of cash deposit. Provided that Form No. 1 of Annexure E of the Savings Bank Rules (printed as Appendix D) is signed by them authorising the Returning Officer to treat the same as deposit in the former case, and the bonds are endorsed in favour of the Comptroller in the case of the latter.

(2) Any candidate may withdraw his candidature by notice in writing subscribed by him and delivered to the Returning Officer before the poll has commenced. A candidate who has withdrawn his candidature shall not be allowed to cancel such withdrawal.

(3) If a candidate by whom or on whose behalf the deposit referred to under sub-rule (1) has been made, withdraws his candidature in the manner specified under sub-rule (2) and before 3 P.M. of the next working day after the latest date on which applications for candidature have to be presented, or if his name is rejected by the Returning Officer, the deposit shall be returned to the person by whom it was made, and, if any candidate dies before the commencement of the poll, any such deposit,

if made by him, shall be returned to his legal representative or, if not made by the candidate, shall be returned to the person by whom it was made or to the legal representative of such person.

(4) If a candidate by whom or on whose behalf the deposit referred to in sub-rule (1) has been made, is not elected and the number of votes polled by him does not exceed one-eighth of the total number of votes polled or if a candidate withdraws his candidature after the time specified in sub-rule 3, the deposit shall be forfeited and credited to the Municipal Fund.

Explanation.—For the purpose of this sub-rule, the total number of votes polled shall be deemed to be the total number of voting papers, other than spoilt voting papers collected.

(5) The deposit made in respect of a candidate who is not elected, if it is not forfeited under sub-rule (4), and the deposit made in respect of a candidate who is elected, shall be returned to the candidate or to the person who has made the deposit on his behalf or to his legal representative, as the case may be, as soon as may be, after the publication of the result of the election in the *Mysore Gazette*, provided that, if a candidate has stood for election in more than two divisions, not more than two of the deposits made by him or on his behalf shall be returned in any case and the remainder shall be forfeited to the Municipal Fund.

By Order,

M. VENKATANARANAPPA,

Secretary to Government,

Development Department.

APPENDIX D.

[*Referred to in Rule* 10 (A).]

No..... *Dated*.....*193* .

To

The Officer in charge of the Treasury

at.....

SIR,

I have the honour to apprise you that I have authorised the Returning Officer of.....Minor Municipality to treat the sum of twenty-five rupees deposited by me in the Savings Bank at your treasury as security to the Municipality, on behalf of myself/A. B. I agree that the same will not be payable to me until I shall produce to you the express written sanction of the Returning Officer of..... Minor Municipality for payment of the same. I have also agreed not to object to the payment by you of the whole or part of this deposit to the Returning Officer of.....Minor Municipality, upon his claiming it, and not to make any claim for interest from the date on which interest has ceased to accrue owing to the payment of the principal to the Returning Officer of... .....Minor Municipality or from the date on which the Returning Officer of..... Minor Municipality, shall have revoked the authority to your treasury to pay me/A. B. the interest.

I have the honour to be,

Sir,

Your most obedient servant.

Place..... ..... *Signature of Depositor*.....

Date..... *Designation of Depositor*..... .....

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PART IV.

Legislative Measures and Rules thereunder.

NOTIFICATIONS.

No. T. 283—R. T. 38-36-22, dated Bangalore, the 20th July 1937.

In exercise of the powers conferred on them by Section 11 of the Mysore Motor Vehicles Regulation, 1923, the Government of His Highness the Maharaja are pleased to issue the following amendment as rule 21A to the Mysore Motor Vehicles Rules, 1924, as amended from time to time, the draft rule in the said behalf having been already published with notification No. T. 2551—R. T. 38-36-18, dated the 26—28th June 1937, at page 133, part IV of the *Mysore Gazette* dated the 1st July 1937.

AMENDMENT.

The following rule shall be added as Rule 21A to the Mysore Motor Vehicles Rules, 1924, as amended from time to time :—

21 A. Left-hand-drive motors.

No motor vehicle with a left hand steering control will be registered unless it is provided on its right or off-side with a mechanical signalling apparatus of a pattern approved of by the registering

authority, which shall, when in operation, indicate to the following traffic the driver's intention of turning to the right or of his intention of stopping the vehicle; Provided that in all cases of such motor vehicles as have been already registered but are not provided with such apparatus, a period of six months from the date of the introduction of this rule is permitted for installing such apparatus.

No. T. 318—R. T. 37-36-4, dated Bangalore, the 23rd July 1937.

In virtue of the powers vested in them under Sections 14 and 15 of the Mysore Road Traffic and Taxes Regulation No. VI of 1935, the Government of His Highness the Maharaja are pleased to direct that a toll gate be established, with effect from 1st August 1937, on the Ramanathpur Bridge, Hassan District, and to declare the said toll gate an *ad hoc* Bridge toll gate in accordance with Notification No. P. 1252—Legis. 46-35-91, dated 18th August 1936.

No. T. 341—R. T. 83-36-3, dated 26th July 1937.

The following draft rules, regarding enquiries into accidents which the Government propose to make in virtue of the powers vested in them under Sections 5, 6 and 33 of the Mysore Road Traffic and Taxes Regulation VI of 1935 are hereby published for the information of persons likely to be affected thereby and any suggestions or objections in respect of the said rules received on or before the 15th August 1937 will be considered by Government:—

Draft Rules.

1. In all cases of accidents arising out of the presence of a motor vehicle on a public road which involves loss of human life or grievous injury to one or more persons, the Police Officer in whose jurisdiction the accident occurs shall send immediately a brief report to the Secretary of the Traffic Board containing particulars regarding the details of accident as provided for in para 3 below.—

2. The report referred to in rule (1) above shall, in the case of accidents involving death of persons, be by telegraph. This telegraph shall be very brief and shall give only the most important details regarding the nature of the accident and further detailed written report shall be sent by post with all despatch. In other cases, report by post shall be sent without any delay.

3. The written report referred to above shall give full particulars regarding the place of the accident, the nature of the accident, the cause of the accident and the damage or injury caused as far as can be ascertained.

4. The Inspector-General of Police, shall, in cases of all accidents connected with motor vehicles, send a full report on the completion of enquiries. On receipt of information referred to in rule 3 above, the Chairman of the Traffic Board may, in those cases in which he considers it necessary, depute any officer or Member of the Traffic Board or any other officer to hold an enquiry into the accident and report to him. The Officer thus deputed will have all powers conferred on a Police Officer under Chapter XIV of the Criminal Procedure Code. He shall also have powers to summon witnesses, to summon documents and examine the motor vehicles and other vehicles concerned in the accident. For the purpose of this examination, he may enter any premises at reasonable working hours.

The Police Office in whose jurisdication the accident has occurred shall render all reasonable facilities to the Officer so deputed for conducting enquiries, etc. The report of the Officer thus appointed will be submitted to the Chairman. This enquiry does not affect or supersede any other enquiry, which according to any other Regulation and Rules is to be held by Police, or any other authority.

By Order,

M. VENKATESA IYENGAR,

Secretary to Government,
General Department.

No. D. 641—A. & E. 246-36-2, dated Bangalore, the 21st July 1937.

Under Section 4 of the Destructive Insects and Pests Regulation VI of 1917, the Government of His Highness the Maharaja of Mysore are pleased to make the following rules for the prevention and spread of the coffee borer pest and for the seizure, inspection and destruction of the coffee plants affected with the borer pest (Xylotrechus quadripes) and regulating the powers and duties of the officers appointed in this behalf.

Rules.

1. In these rules "the Regulation" means "the Destructive Insects and Pests Regulation, VI of 1917."

2. Landholders or occupants of coffee estates and small areas of coffee and persons in immediate possession of such lands in the declared areas shall be bound to make all arrangements to pull out and completely destroy by burning all coffee bushes affected by the stem borer before the 15th of August of each year.

3. All coffee plantations and all areas on which coffee is grown will be inspected by the Fieldmen of the Agricultural Department who shall have the right of access to and inspection of all coffee lands in the declared area. These Fieldmen will work under the instructions of the Entomologist or his Assistant specially deputed for this work.

4. The Fieldman will, on finding, on and after the 15th August of each year, any coffee stem borer pest, report to the Entomologist or his Assistant who will issue a notice in Form A (Annexure I) to the holder or occupier or person in possession directing him to remove and effectually destroy by burning all those portions of the coffee plants that are affected by the said coffee stem borer and to keep his holding entirely free of it.

5. The Amildar in charge of the Taluk will arrange to get the notices served on the owner or occupier or possessor of the holding concerned.

(*a*) The period to be specified in the notice within which the landholder or occupier or person in possession shall carry out the destruction of the affected coffee plants will be left to the discretion of the Entomologist or his Assistant. In no case shall the period allowed exceed 7

days. Provided that when an appeal is preferred within the period of 7 days, the period allowed by the notice, shall be considered to have been extended by such time as may be allowed by the appellate officer or till the appeal is decided.

The Revenue Sub-Division Officer in whose jurisdiction the Taluk is situate shall be the appellate officer for the purpose of these rules. On the expiry of the period of 7 days and if no notice of appeal is received by the Entomologist or his Assistant, he may seize and destroy all the plants affected by the stem borer. The cost of such seizure and destruction shall be recoverable from the landholder or occupier or person in possession in the same manner as arrears of land revenue.

(*b*) Every notice under this rule shall be authenticated by the signature of the officer by whom it is issued. It shall be served in the manner prescribed for the service of notices under the Mysore Land Revenue Code.

(*c*) Such notices shall be entered in a Register maintained by the officer issuing them in Form B (Annexure II).

6. (*a*) Every appeal (appeals under the Regulation are subject to the usual Stamp Duty of As. 12) shall be accompanied by the original notice served on the appellant. It shall set forth clearly the objection or objections to the terms of the notice and shall specify the point or points on which redress is sought.

(*b*) In dealing with appeals, the appellate officer shall record his decision in writing and shall communicate a copy thereof free of charge to the appellant. The decision of the appellate officer shall be final.

7. Where a landholder or occupier renders himself liable to prosecution, it shall be the duty of the Entomologist or his Assistant to report the case to the Amildar who will arrange for further action for the prosecution of the offender.

8. A notice of demand for payment of cost shall be made in Form C (Annexure III) and shall be served in the manner prescribed for the service of notices, and a copy of the said notice shall be communicated to the Taluk Office concerned. The officer issuing the notice will maintain a register of demands in Form D (Annexure IV). A suitable register should also be maintained in the Taluk Office concerned to watch recoveries.

9. In the case of Government lands containing coffee trees, the Entomologist or his Assistant shall be treated as the occupier for the purpose of the removal and destruction of the coffee stem borer pest (Xylotrechus quadripes) under the Regulation and these Rules.

By Order,

M. VENKATANARANAPPA,

Secretary to Government,
Development Department.

ANNEXURE I.

FORM A.

No.

Date

To

You are hereby required to take notice that you should remove and effectually destroy by burning all the coffee plants that are affected by coffee stem borer pest (Xylotrechus quadripes) growing or situated in S. Nos. occupied by you in the village of in the hobli of in the Taluk of within 7 (seven) days from the date of service of this notice. If you object to this notice, you may prefer an appeal along with this notice to the Revenue Sub-Division Officer in whose jurisdiction the Taluk is situate within 7 (seven) days from the service of this notice, setting forth the grounds of objection and the points for redress. The decision of that officer will be final. If you fail to comply with this notice or, in case of appeal, with the order of the appellate officer, the undersigned is authorised by law to carry out at your expense, the measures ordered and you will also be liable to criminal prosecution for an offence under Section 5 of Regulation VI of 1917.

.....

Entomologist.

Asst. Entomologist.

ANNEXURE II.

FORM B.

Register of Notices.

Sl. No. of notice	Village	S. No. to which notice relates	Name of occupier or owner	How served			Date of expiry of the period allowed by the Entomologist or his Assistant or in case of an appeal of the period specified by the appellate authority	Remarks
				Date of service of notice	Date of expiry of appeal time	Order of appellate officer		
1	2	3	4	5	6	7	8	9

ANNEXURE III.

FORM C.

Demand Form.

Notice of demand to of village in taluk

Take notice that an expenditure of Rs. of which the details are annexed, has been incurred in removing and destroying coffee plants affected by coffee borer pest (Xylotrechus quadripes) from S. No. of village and that you are required to pay the amount within 30 days of the date of service of this notice. The amount may be paid to the Revenue Inspector or remitted to the Taluk Treasury.

.....

Entomologist.

Asst. Entomologist.

Details of Cost.

ANNEXURE IV.

FORM D.

Register of Demands.

Village	S.No.	No. and date of the notice issued by the Entomologist or his Assistant to carry out measures	Date on which the remedial measures were carried out by the Entomologist or his Assistant.	Cost in detail of measures taken	Date of despatch of demand notice for service and to the Amildar	Remarks
1	2	3	4	5	6	7

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PART IV.

Legislative Measures and Rules thereunder.

NOTIFICATIONS.

No. T. 487—R. T. 38-36-23, dated Bangalore, the 30th July—2nd August 1937.

In exercise of the powers conferred on them under section 11 of the Mysore Motor Vehicles Regulation 1928, the Government of His Highness the Maharaja are pleased to issue the following amendment to the Mysore Motor Vehicles Rules 1924, as amended from time to time, the draft amendment in the said behalf having already been published with Notification No. T. 2420—R. T. 38-36-15, dated the 23rd June 1937 at page 128, Part IV of the *Mysore Gazette*, dated the 24th June 1937.

AMENDMENT.

After rule 39 of the Mysore Motor Vehicles Rules, 1924, as amended from time to time, the following as rule 39A shall be added:—

"39A. No motor lorry, the weight of which, including the maximum load permissible under the manufacturer's specifications, transmitted to the surface

of the road, or other base whereon the motor vehicle moves or rests, exceeds six tons, shall be permitted to ply on any road in Mysore State."

By Order,

M. VENKATESA IYENGAR,
Secretary to Government,
General Department.

No. D. 981 – I. & C. 293-36-7, dated Bangalore, the 28—29th July 1937.

In exercise of the powers conferred by Section 14 (1) of the Mysore Maternity Benefit Regulation III of 1937, Government of His Highness the Maharaja of Mysore are pleased to make the following rules for the purpose of carrying into effect the provisions of the Regulation :—

By Order,

M. VENKATANARANAPPA,
Secretary to Government,
Development Department.

Short Title.

1. These Rules may be cited as the Mysore Maternity Benefit Rules, 1937.

Definitions.

2. In these Rules, unless there is anything repugnant in the subject or context :—

(*a*) "Regulation" means the Mysore Maternity Benefit Regulation, 1937,

(*b*) "Section" means a section of the said Regulation.

Muster Roll.

3. The employer of every Factory in which women are employed shall prepare and maintain a muster roll in the Form of Schedule I appended to these Rules. The names and record of employment of all women employed in the Factory shall be entered therein and also the other particulars prescribed therein. All entries in the muster

roll shall be maintained up-to-date and it shall always be available for inspection by the Inspector.

4. The Inspector shall be primarily responsible for the administration of the Regulation, within the area assigned to him under the Mysore Factories Regulation, 1936.

Powers of Inspector.

5. (1) The Inspector may, within the area for which he is appointed, examine the muster-roll maintained under Rule (3) and shall have power to make such enquiries and to require the production of such papers or documents as he considers necessary for the purpose of ascertaining whether the provisions of the Regulation and of these rules are properly carried out in any Factory or not; provided that he shall not require any employer to answer any question or to give any evidence tending to criminate himself.

(2) Every notice given under Sub-section 1 of Section 6 of the Regulation and every receipt for maternity benefit paid to any person under the provisions of the Regulation or of these Rules shall, on demand, be produced before the Inspector.

Penalty for contravention of the Rules by any employer.

6. Any employer contravening the provisions of Rule 3 shall be liable, on conviction, to a fine not exceeding fifty rupees.

7. Any person who wilfully obstructs an Inspector in the exercise of his powers or the performance of his duties or fails to produce, on demand, the muster roll, or notices given under Sub-section 1 of Section 6 of the Regulation or receipts for maternity benefits paid or other papers or documents necessary to enable the Inspector to ascertain that the provisions of the Regulation and these Rules have been complied with, shall be liable on conviction, to a fine not exceeding fifty rupees.

Return.

8. Every employer of women in a Factory shall furnish to the Chief Inspector of Factories by the 1st of August in each year, a Return in the Form of Schedule II appended to these Rules.

Records.

9. Records relating to the payment of maternity benefit under the provisions of the Regulation or of these Rules shall be preserved for a period of two years from the date of their preparation.

SCHEDULE I.

(SEE RULE 3).

Form of Muster Roll.

Month of 193

Muster Roll to be maintained up-to-date under the Mysore Maternity Benefit Regulation.

Name	Department	Ticket or Departmental No.	Date 1 2 3 4 5 6 31	Total days	Date on which notice of expected confinement was given (Section 6 (1))	Date of birth of child	Date of production of certified extract from the Birth Register	Date of 1st Payment and amount of same (Section 6 (3))	Date of subsequent payments and amounts thereof (Section 6 (3))	If the woman dies, date and amount of maternity benefit paid and the name of persons to whom paid	Remarks
1	2	3	4	5	6	7	8	9	10	11	12

SCHEDULE II.

(SEE RULE 8.)

Return to be submitted to the Chief Inspector of Factories on or before the 1st of August each year.

Name of Factory ...	
Name of Occupier ...	
Name of Manager ...	
Year ending 30th June ...	
Average No. of women employed daily ...	
Number of women who claimed Maternity Benefit under Section 6 (1) of the Regulation.	
Number of women who were paid Maternity Benefit for actual births.	
Number of other persons who were paid Maternity Benefit (Section 7).	
Total amount of Maternity Benefit paid...	

Dated .....

.....

(Signature) .....

Employer .....

D. 1176—*C. S.* 11-36-146, *dated Bangalore, 3rd—4th August* 1937.

Under the powers vested in them by Section 44 (*g*) of the Mysore Co-operative Societies Regulation of 1918, as amended from time to time, the Government of His Highness the Maharaja of Mysore are pleased to publish for general information the following draft rule regarding the appointment of members of the Committees of Management of Co-operative Societies at District Head Quarters.

Any suggestions or objections regarding the proposed rule may be sent to the Secretary to Government, Local Self-Government Department, within two months from the publication of the draft rule in the *Mysore Gazette*, after which the draft rule will be taken up for consideration.

Any suggestions received after the due date will not be considered by Government.

Draft Rule 6 (3).

The management of every society situated at District Head Quarters shall vest in a Committee consisting of not more than fifteen and not less than five members who shall be elected in accordance with such rules as may be provided under the Bye-laws of the Society, subject to the condition that at the elections so held, three persons who have been members of the Committee previously for the longest periods shall not be eligible for re-election.

The Registrar may, in the case of any society in which he considers that facilities for the enforcement of such restriction do not exist, permit all the retiring Directors to stand for re-election.

By Order,

P. H. KRISHNA RAO,

Secretary to Government,
Local Self-Government Department.

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PART IV.

Legislative Measures and Rules thereunder.

NOTIFICATIONS.

No. T. 571—R. T.—12-37-1, dated Bangalore, the 7—9th August 1937.

The following draft of a rule which the Government propose to make in virtue of the powers vested in them under Sections 5 and 33 of the Mysore Road Traffic and Taxes Regulation, VI of 1935, is hereby published for the information of persons likely to be affected thereby and notice is hereby given that any objections or suggestions received on or before the 31st August 1937 from any person in respect of the said draft will be considered by Government.

Draft Rule.

The following rule will be added as Rule 80A to rules regarding Public Service Motor Vehicles published with Notification No. P. 3992—Legis. 46-35, dated 18th December 1935 as amended from time to time:—

"Every motor bus plying for hire should be equipped with a First-aid box, containing essential requirements as approved by the Traffic Board and it shall be kept in a prominent and easily accessible place in the bus."

No. E. 615—*Edn.* 97-37-2, *dated Bangalore, the 7th August* 1937.

Government are pleased to make the following additions to Rule 52 of the Elementary Education Regulation and the Rules thereunder (page 44), issued with Government Notification No. E. 1246—Edn. 325-30-14, dated 29th September 1931 :—

52. 2. It will be 2 (*a*) After 'admitted' in line 2, *add*, "As per (1) above."

52. 2 (*b*). *Add.*

"A pupil seeking admission without the production of a Leaving Certificate on the ground that he has been coached up privately, may be admitted by the Head Master to the class for which he is found fit, after due examination, provided that the parent or guardian certifies that the pupil has not attended any Primary School for a period of six months at least before the date of his seeking admission. Such admissions should immediately be reported to the School Board Assistant concerned and his approval obtained."

By Order,

M. VENKATESA IYENGAR,

Secretary to Government, General Department.

No. G. 962—*P. H.* 128-36-3, *dated Bangalore, 2nd—5th August* 1937.

Under Section 1 (2) of the Mysore Prevention of Adulteration Regulation, IX of 1921, as amended by Regulations IV of 1929 and IV of 1930, Government are pleased to extend the provisions of the said Regulation to the Nanjangud Town in respect of milk (Cow's and buffalo's), butter and ghee.

No. G. 965—P. H. 128-36-4, dated Bangalore, 2nd—5th August 1937.

Under Section 20 of the Mysore Prevention of Adulteration Regulation, IX of 1921, as amended by Regulations IV of 1929 and IV of 1930, Government propose to make the Rules issued in Notification No. G. 2463—San. 61-30-7, dated 22nd September 1931 (annexed hereto) applicable to the Nanjangud Municipality. Any objections to this proposal, if made in writing and received on or before 1st September 1937, will be duly considered.

By Order,

P. H. KRISHNA RAO,

Secretary to Government,
Local Self-Government Department.

Rules under the Mysore Prevention of Adulteration Regulation.

1. In these rules, "Regulation" means the Mysore Prevention of Adulteration Regulation, IX of 1921.

"Section" means section of the above Regulation.

Section 3.—

2. The officer to whom the local executive officer may delegate his powers shall be of the rank of a Health Officer or shall hold the diploma of Public Health. No legal proceedings under the Regulation shall be instituted without the permission in writing of the President or the Commissioner as the case may be.

Section 20 (*b*).—

3. The area within which the local executive officer of a Municipal Council shall exercise powers shall be the Municipal limits of the place.

Section 20 (*c*).—

4. *Cleanliness of Vessels.*—All vessels, receptacles or utensils used for manufacturing or preparing food or containing any food intended for sale shall be cleansed with clean boiling water before and after use and shall be kept in a constant state of cleanliness. In case of food likely to be acted upon by the metal of the vessels, receptacles or utensils in which the food is manufactured, prepared or contained for purposes of sale, precautions shall be taken to prevent such metallic contamination.

Section 20 (*d*).—

5. *How notice of Admixture, Addition or Deficiency shall be given.*—If the vendor of any article intended for food knows that it is admixed with any foreign substance whatsoever or that any component part has been abstracted therefrom, he shall give due notice of such admixture or abstraction by means of distinct and clear labels in Kannada or in any other language likely to be read and understood by the people, affixed conspicuously on each package or receptacle containing the article. Unless the vendor of any food containing an admixture, addition or deficiency, knows of his own knowledge, that the purchaser is able to read and understand the label, he shall give the purchaser the information contained in the label by word of mouth at the time of purchase.

Section 20 (*e*).—

6. The standards of purity prescribed for milk, cream, butter and ghee are as follows :—

Milk.—

Cow's Milk.—(1) Where a sample of cow's milk (not being sold as skimmed or separated milk), contains less than three per cent of milk-fat, it shall be presumed for the purposes of this Regulation, until the contrary be proved, that the milk is not genuine, by reason of the abstraction therefrom of milk-fat or the addition thereto of water.

(2) When a sample of cow's milk or any skimmed or separated cow's milk contains less than 8·5 per cent of milk-solids other than milk-fat, it shall be presumed for the purposes of this Regulation, until the contrary be

proved, that the milk is not genuine by reason of the addition thereto of water.

(3) When a sample of cow's milk, whether sold as cow's milk or as skimmed or separated cow's milk, contains less than 0·5 per cent of nitrogen, it shall be presumed for the purposes of this Regulation, until the contrary be proved, that the milk is not genuine by reason of the addition thereto of water.

Buffalo Milk.—(4) Where a sample of buffalo milk (not being sold as skimmed or separated milk), contains less than 4·5 per cent of milk-fat, it shall be presumed for the purposes of this Regulation, until the contrary be proved, that the milk is not genuine by reason of the abstraction therefrom of milk-fat or the addition thereto of water.

(5) Where a sample of buffalo milk, whether sold as buffalo milk, or as skimmed or separated buffalo milk, contains less than nine per cent of milk-solids other than milk-fat, it shall be presumed for the purposes of this Regulation, until the contrary be proved, that the sample is not genuine by reason of the addition thereto of water.

(6) Where a sample of buffalo milk, whether sold as buffalo milk or as skimmed or separated buffalo milk, contains less than 0·53 per cent of nitrogen, it shall be presumed for the purposes of this Regulation, until the contrary be proved, that the sample is not genuine, by reason of the addition thereto of water.

N. B.—The minimum limits for nitrogen prescribed above under (3) and (6) are intended to be used in those cases in which a sample of milk when it is analysed, is so far decomposed that an estimation of the proportion of milk-solids other than milk-fat in the sample before decomposition will be unreliable, the proportion of nitrogen not being appreciably affected by decomposition.

Unspecified Milk.—(7) Where a sample of milk, separated milk or skimmed milk, is sold or offered for sale or hawked about, without any indication as to whether it is derived from the cow or the buffalo and by comparison with the minimum limits given for the cow's milk in the above, it appears to be adulterated, it shall be presumed for the purposes of this Regulation, until the contrary be proved, that the sample is not genuine for the reason given in the above rule or rules which are applicable.

Maximum limit for Dirt in Milk.—(8) Where a sample of milk, separated or skimmed milk, deposits, on

standing for a period of 24 hours or less, an amount of visible sediment exceeding five parts per 100,000 (both milk and sediment being measured by volume), it shall be presumed for the purposes of this Regulation, until the contrary be proved, that the sample is not genuine by reason of its containing an excessive amount of dirt.

Cream.—(9) Where a sample of cream contains less than 20 per cent of milk-fat, it shall be presumed for the purposes of this Regulation, until the contrary be proved, that the sample is not genuine.

Butter.—(10) Where the proportion of water in a sample of butter exceeds 20 per cent, it shall be presumed for the purposes of this Regulation, until the contrary be proved, that the butter is not genuine by reason of the excessive amount of water therein.

Ghee.—(11) Where the proportion of water in a sample of ghee exceeds one per cent, it shall be presumed for the purposes of this Regulation, until the contrary be proved, that the ghee is not genuine by reason of the excessive amount of water therein.

Section 20 (*f*).—

7. (1) No person shall add water or any dried or condensed milk or any fluid reconstituted therefrom or any skimmed milk or separated milk to milk intended for sale, and no person shall, by himself or by any servant or agent, sell or offer for sale or hawk about, any milk to which any such addition has been made.

(2) No person shall abstract any ingredient from milk, without giving due notice of the same, in an unambiguous manner, of the fact of such abstraction therefrom, as prescribed in rules under Section 20 (*d*).

(3) No person either by himself or any servant or agent, shall sell or offer for sale or hawk about, as milk, any liquid in the making of which dried milk or condensed milk has been used or to which water or other diluent or adulterant has been added or from which any ingredient has been abstracted, without due notice of the same to the purchaser as prescribed in rule under Section 20 (*d*).

Section 20 (*g*).—

8. Any receptacle containing dried, condensed, skimmed or separated milk shall be labelled with an adhesive label which shall contain the information and be of the size indicated below. The information shall be in black

type, printed or written in the centre of the label, which shall be of white colour. Nothing else shall be printed or written on the label, except the name of the article. The label shall be clearly visible to the purchaser and shall measure at least 2″×4″ where only Kannada is used or at least 4″×4″ where more than one language is employed.

Section 20 (*h*).—

9. (1) Any person taking a sample of milk for the purposes of this Regulation may add a preservative for the purpose of retaining the sample in a condition convenient for analytical purposes.

(2) The preservative used shall be the liquid commonly known as "formalin" which is a liquid containing about 40 per cent of formaldehyde in aqueous solution.

(3) The amount of preservative added shall be approximately in proportion of one drop of formalin for every 2 oz. of the sample of milk.

(4) Each sample of milk to which formalin has been added by the person taking the sample shall bear a notification on the label to the effect that it has been "artificially preserved."

(5) For the purposes of this rule, milk includes skimmed and separated milk.

10. *Penalty for breach of Rules.*—Every manufacturer or dealer or vendor who—(*a*) disobeys, fails to comply with or acts in contravention of the provisions made under Rule 4 herein, in respect of cleanliness of vessels, receptacles or utensils used for manufacturing, preparing or containing any food intended for sale, or (*b*) neglects to affix labels to notify in the manner prescribed, the fact of the admixture of foreign ingredients in the case of adulterated articles of food or abstraction of any component part therefrom of any article of food, or (*c*) fails to give the purchaser, in cases mentioned in Rule 5, information contained in such labels by word of mouth at the time of purchase, or (*d*) manufactures, deals in or sells milk, cream, butter or ghee below the standard prescribed in Rule 6 above shall, on conviction before a magistrate, be punished with a fine not exceeding Rs. 50 and with a fine which may extend to Rs. 50 for every subsequent offence.

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BANGALORE, THURSDAY, AUGUST 19, 1937.

PART IV.

Legislative Measures and Rules thereunder.

NOTIFICATIONS.

No. R. 736—*L. R.* 32-34-5, *dated Bangalore* 11*th August* 1937.

Under Section 233 of the Land Revenue Code and in pursuance of the orders issued in Government Order No. 614-24—L. R. 32-36-4, dated 6—11th August 1937, Government are pleased to direct that Rule 59 of the Rules under the said Code and the Schedules attached thereto be amended as follows:—

(1) In rule 59 substitute "Rs. 2,000" for "Rs. 1,000" in line 10.

(2) Schedule A—substitute the following for the existing item 4;

Places	Limits
Other important Railway Stations, *viz.*, Bowringpet and other Stations on the Kolar Gold Fields, Davangere, Shimoga, Bhadravati, Chitaldrug, Tumkur, Tiptur, Kolar, Chikballapur, Chintamani, Mandya and Nanjangud.	Within two miles from the Railway Station.

(3) Under the Heading "Rate of fine per acre", in Schedule A, against items, (1) to (4) substitute "Rs. 1,000" and "Rs. 2,000" for "Rs. 500" and "Rs. 1,000" respectively.

(4) Schedule B: Add the words "other than those mentioned in Schedule A" after the words "5,000 and above" in the second column of item No. (1).

The Schedules as revised are annexed.

By Order,

B. T. KESAVIENGAR,

Chief Secretary to Government.

SCHEDULE A.

No.	Places	Limits	Rate of fine per acre
1	Bangalore City ...	Municipal limits and all lands within a distance of two miles from the City or from the Railway Station (1).	Not less than Rs. 1,000 and not more than Rs. 2,000 per acre.
2	Mysore City ...	Do do	
3	Villages near the Civil and Military Station of Bangalore.	Within half a mile from the Civil a d Military Station boundaries	
4	Other important Railway Stations, *viz.*, Bowringpet and other Stations on the Kolar Gold Fields, Davangere, Shimoga, Bhadravati, Chitaldrug, Tumkur, Tiptur, Kolar, Chickballapur, Chintamani, Mandya and Nanjangud.	Within two miles from the Railway Station.	
5	Villages comprised within the area under the administration of the Kolar Gold Fields Sanitary Board.	Their respective Revenue Survey boundaries.	Not more than Rs. 500 per acre.
6	Other places mentioned in Schedule B.	.....	

SCHEDULE B.

No.	Places	Limits
1	District Headquarter Towns large towns and Municipalities with a population of 5,000 and above other than those mentioned in Schedule A.	All lands within a distance of 2 miles from the town or from the Railway Station limits if the town is on the Railway line.
2	Taluk Headquarters or Minor Municipal towns with a population of 2,000 and above.	All lands within a distance of one mile from the town or the Railway Station limits if the town is on the Railway line.
3	Other Railway Stations not comprised in (1) or (2).	All lands within a distance of half a mile from the Railway Station limits.

No. T. 592—R. T. 9-37-5, dated Bangalore, 11th August 1937.

In exercise of the powers conferred on them under Sections 13 and 22 of the Mysore Road Traffic and Taxes Regulation VI of 1935 the Government of His Highness the Maharaja are pleased to exempt Mr. A. S. James, Director of Telegraphs, Madras, from payment of all taxes and tolls under the said Regulation and also all tolls due under the Municipal Regulations, in respect of his motor car bearing Register No. P. 3835 C till 1st February 1938.

No. T. 607—R. T. 38-36-25, Bangalore, dated the 11th August 1937.

In exercise of the powers vested in them under clause (4) of Section 9 of the Road Traffic and Taxes Regulation No. VI of 1935, the Government of Hei Highness the Maharaja are pleased to direct that ths following proviso be inserted after clause (*c*) of Rule 24 of

the Motor Vehicles Tax Rules, Part I, published under Notification No. P. 3896—Legis. 46-35, dated 16th December 1935 :—

"Provided that—

(i) In the cases in which it is not possible to surrender the license or the license and the permit as the case may be, along with the application for refund (as when refund of tax is claimed during the period for which the license is, or the license and the permit are, current), the authority empowered to sanction refund may call for the said documents for purposes of examination and after making a note to that effect on the application for refund, return the same to the party concerned,

(ii) if the license and permit have not been issued at all (as when tax was paid after the period for which it was due) or they have been lost, the fact may be noted on the application for refund, after making sure that tax has been paid."

No. E. 651—*Edn.* 325-36-2, *dated Bangalore, the* 11*th August* 1937.

In exercise of the powers vested in them under Section 48 (2) 1 of the Elementary Education Regulation, Government direct that the rule 5 (b) and (c) under IV Miscellaneous (a) Training of Teachers page 75 of the Manual of Elementary Education Regulation and the rules thereunder be modified as follows :—

5. (*b*) "In case a teacher is reverted from the training Institution, the substitute's allowance shall cease to be paid from the date of the teacher's reversion to duty".

(*c*) (1) "The Local Education Authority shall recover from the teachers reverted for unsatisfactory attendance, progress or conduct, the amount of the salary and the travelling allowance paid to them during the period they were in the training institution. Such recovery may be waived by the Local Education Authority in the case of teachers reverted for no fault of theirs such as ill-health of

themselves or their near relatives, requiring their constant attention and other circumstances beyond their control.

(2) In cases where recovery is made, it shall be made at not less than 1/6 of the pay of the teacher per mensem and the Local Education Authority shall refund to the Government the amount of allowances paid to the substitutes."

No. T. 668—*R. T.* 38-36-26, *dated Bangalore, the* 13—14*th August* 1937.

Refund of Taxes.

In exercise of the powers conferred upon them by sub-section (4) of Section 9 of the Mysore Road Traffic and Taxes Regulation No. VI of 1935 as amended by Regulation No. IX of 1936, the Government of His Highness the Maharaja are pleased to issue the following amendments to Rules 23 (b) and 24 (a) of the Mysore Motor Vehicles Tax Rules, Part I, published respectively under notifications Nos. T. 1546—R. T. 38-36-5, dated the 9th March 1937 and P. 3896—Legis. 46-35, dated the 16th December 1935 :—

Amendments.

23. (*b*) Begin the rule with "subject to the conditions prescribed in rule 24 below,"

24. (*a*) *Substitute* "Vehicle" *for* the words "cab, a motor bus or a motor lorry" occurring in lines 1 and 2.

Omit the portion "of a calendar month or more during the quarter," and *substitute* "as provided in the foregoing rule,"

The first sentence in Rule 24 (a) will, after the above amendments, read as follows :—

Whenever a motor vehicle ceases to be in use and is likely to remain so for continuous periods as provided in the foregoing rule, the person in charge of the vehicle shall surrender his license and the permit, if that permit refers to that vehicle only, to the officer empowered to grant refunds together with a notice, in writing, specifying the reason for the vehicle being kept out of use and the period for which the vehicle is thus likely to be out of use.

No. T. 678—*R. T.* 38-36-28, *dated Bangalore, the* 12—16*th August* 1937.

In exercise of the powers conferred on them by Section 11 of the Mysore Motor Vehicles Regulation, 1928, the Government of His Highness the Maharaja of Mysore are pleased to issue the following amendment to the Mysore Motor Vehicles Rules, 1924, as amended from time to time, the draft rule in the said behalf having already been published with Notification No. T. 2565—R. T. 38-36-19, dated the 28—29th June 1937, at page 133, Part IV of the *Mysore Gazette*, dated 1st July 1937.

Amendment.

The following rule shall be added as Rule 4 (b) to the Mysore Motor Vehicles Rules, 1924, as amended from time to time:—

4B. Every Trailer shall be registered as a motor vehicle and the provision of the rules relating to registration of motor vehicles shall, so far as may be practicable, apply to such registration.

The fee payable in respect of registration of a Trailer shall be Rs. 4.

Every Trailer shall have a brake or brakes of such type and capable of being applied in such manner as may be approved by the registering authority.

By Order,

M. VENKATESA IYENGAR,

Secretary to Government,

General Department.

No. D. 1678—*A. & E.* 31-37-2, *dated Bangalore, the* 14—17*th August* 1937.

In exercise of the powers conferred by Section 10 of the Sugar (Excise Duty) Regulation, II of 1934, the Government of His Highness the Maharaja of Mysore are pleased to amend the Sugar (Excise Duty) Rules, 1934, as follows :—

For Forms A and B appended to the said Rules, the following forms shall be substituted, namely :—

FORM A.

Sugar Manufacture Account.

Date	Opening Balance	Quantity manufactured	Quantity issued from factory otherwise than for export out of India	Quantity used within the factory for the manufacture of any other commodity.	Quantity removed from factory for export out of India	Quantity destroyed by accident	Quantity received or removed for further refinement or manufacture	Closing Balance	Remarks
1	2	3	4	5	6	7	8	9	10
	Cwt.	Cwt.	Cwt.	Cwt.	Cwt.	Cwt.	Cwt.	Cwt.	
Total ..									

FORM B.

Manufacturer's Monthly Return.

Month.....19 .

Opening Balance.	Sugar manufactured during the month.	Quantity issued from factory otherwise than for export out of India.	Quantity used in factory for the manufacture of another commodity.	Quantity removed from factory for export out of India.*	Quantity destroyed in factory	Quantity received or removed for further refinement or manufacture	Closing Balance	Remarks.
1	2	3	4	5	6	7	8	9
Cwt.	Cwt.	Cwt.	Cwt.	Cwt.	Cwt.	Cwt.	Cwt.	

*Details regarding exports shown in colum 5.

1.....Cwt. exported to.....per.....on.....

2.....Cwt. exported to.....per.....on.....

3.....Cwt. exported to.....per.....on.....

4.....Cwt. exported to.....per.....on.....

Dated the.....

Signature.....

By Order,

M. VENKATANARANAPPA,

Secretary to Government,

Development Department.

No. D. 1531—*C. S.* 11-36-152, *dated Bangalore, the* 10—12*th August* 1937.

Under Section 44 (2) (*g*) of the Mysore Co-operative Societies Regulation VII of 1918 as amended from time to time, the Government of His Highness the Maharaja of Mysore are pleased to publish for general information the following draft rules for the election of members to the Committees of Management and of other officers of Co-operative Societies.

Any suggestions for additions, alterations, or omissions by persons or bodies likely to be affected by these rules may be forwarded so as to reach the Secretary to Government, Local Self-Government, Department, within two months from the date of publication of this notification in the *Mysore Gazette.*

Any suggestions received after the due date will not receive consideration.

Rule 31—The following rules for the election of the members to the Committees of Management or of other officers of Co-operative Societies should be adopted by all Co-operative Societies registered in Mysore under the Mysore Co-operative Societies Regulation VII of 1918 as amended from time to time.

RULES.

1. Soon after the close of the official year, the accounts of the society should be got audited and the date of the annual general meeting fixed and intimated to all the members at least 15 days before the date of the meeting.

2. A list of members who are in default for more than three months in respect of their dues to the society should be prepared and notices given to such defaulters that they will not be entitled, either to vote at the general meeting or to stand as candidates for election to the Committee of Management if they fail to pay up the overdue amounts to the society seven days before the date of the general meeting.

Exception.—This provision shall not apply to such of the rural societies as may be exempted by the Registrar.

3. Members desirous of standing as candidates to the Committee of Management should give their applications to the Secretary or to the office of the society five

days before the date of the general meeting. Such applications should have been supported by at least two members. A member may nominate as many persons as there are seats on the Committee from among those who are not defaulters. In all cases of nominations the consent of the concerned candidates should have been obtained in writing. If the consent of nominated candidates has not been taken, their names shall not be included in the voting slips.

4. The names of those who have duly applied or are nominated (if they are not otherwise ineligible) will be noted in the voting slips.

5. Three days before the date of the general meeting, a list of members eligible for voting should be prepared.

6. All the members that attend the general meeting should sign in the Register kept for the purpose as they enter the place of the meeting.

7. The General Body should decide the time during which voting may take place. If the power of fixing the time of voting has been delegated to the committee by the General Body, the committee may fix the same.

8. Voters should appear in person and vote.

9. Identification slips may be issued to members entitled to vote. Members who hold identification tickets should produce them before the Polling Officer at the Polling Booth and obtain voting slips from him.

10. The voting slip should bear the seal of the society or some other distinguishing mark.

11. Voters should put a mark prescribed for this purpose against the names of candidates whom they wish to elect, fold the voting slip and deposit it in the ballot box. The Polling Officers should help the illiterate members in marking names in the voting slips.

12. The General Body should, before the commencement of election, appoint as many Polling Officers as may be necessary for the proper conduct of elections and Tellers to count the votes.

13. After all the voters present have voted or after the time fixed for voting by the General Body is over, the Polling Officer shall stop voting and deliver the Ballot Box to the Tellers.

14. Tellers shall take into consideration only such voting slips which are regularly filled up.

15. Soon after the counting of votes is over, the result shall be announced either at the general meeting, if possible, or published on the Notice Board of the society under the signature of the Chairman of the meeting.

16. The Chairman of the General Meeting shall arrange to keep in safe custody in the society in a sealed box the voting slips and their counter-foils, the register containing the signature of members that attended the meeting and the report of the Tellers. These may be burnt two months after the date of the general meeting.

17. If any member wishes to file any dispute regarding the elections, he should do so within thirty days from the date of announcement of the result of the election.

No. L. 1703—*L. B.*—140 of 1929, *dated Bangalore, the* 16*th August* 1937.

In exercise of the powers conferred by Section 58B. of the Mysore Village Panchayet Regulation, 1926, as amended from time to time and Section 102 (1) of the Mysore District Boards Regulation, the Government of His Highness the Maharaja of Mysore are pleased to exempt the local area defined in the Schedule appended to this notification from the operation of the provisions of the said Regulations and to make the following rules to provide for the matters dealt with in the said Regulations for the said area:—

RULES.

1. For the proper and efficient administration of these rules in the said local area, there shall be formed a special Board distinct from and independent of the *Shimoga* District Board and the Municipal Council of *Bhadravati Old Town* and the Panchayets of *Jannapur and other villages* and styled "*the Bhadravati New Town Board.*" The Board shall consist of not less than five members who shall be appointed by Government by notification in the Official Gazette. Constitution.

2. The Government shall appoint the President of the Board from time to time. President

Secretary and Medical Officer.

3. It shall be lawful for the Board to appoint, with the approval of Government, a Secretary and a Medical Officer of Health and assign to them such duties and powers as the Board shall deem fit for the administration of matters within its competence.

Joint Committees.

4. The Board shall have power to appoint Joint Committees to carry out and administer joint works with adjoining village panchayets or with the *Bhadravati Minor* Municipal Council or the *Shimoga* District Board in all matters of joint concern on terms mutually agreed upon.

Power to make appointments.

5. The Board may, from the funds at its disposal, and subject to such instructions as may be given by Government from time to time, create appointments including those of Sanitary Inspectors, Assistant Sanitary Inspectors, Work Inspectors and such establishment of Maistries, Sweepers and Scavengers, Watchers and other servants as may be found necessary for the proper and efficient administration of the area.

Conduct of Business.

6. The Board shall have power to prescribe bye-laws with the previous sanction of Government for the conduct of its business and for the guidance of its members and servants.

Power to levy taxes.

7. The Board shall have power to levy, with the like sanction, such tax, rate or cess within the said area as a Town Municipal Council would be competent to levy under the law in force relating to Town Municipalities or which may be specially sanctioned by Government.

Power to make Bye-laws.

8 (1) The Board may, with the previous approval of Government, prescribe bye-laws :—

(*a*) for regulating the construction and restoration of buildings of every description, the materials of which they shall be made, their ventilation and drainage, the number of persons that may occupy them and other similar matters and to prevent the construction of buildings without adequate provision being made for the layout and location of streets;

(*b*) for providing burning and burial grounds;

(*c*) for regulating the disposal of kitchen and stable refuse, animal refuse of all kinds and night soil or other such offensive matter;

(*d*) for conserving and guarding against pollution all sources of water supply;

(*e*) for preventing overcrowding in bazaars, in workmen's lines and streets or houses for work people and others;

(*f*) for the proper cleaning of drains, sewers, latrines and urinals;

(*g*) for regulating the keeping of cattle and other animals, the location of sheds for them and the fixing or licensing of slaughter houses; and authorising the levy of rent or fees for the use of the same, or a fee on each animal slaughtered therein at such rates as may be prescribed from time to time;

(*h*) for the proper and timely treatment of persons affected with cholera or other epidemic disease and for preventing the spread of such disease by temporarily prohibiting persons affected or suspected to be affected with it from moving to or from particular specified places or travelling on particular specified routes;

(*i*) (i) for the regulation and inspection of bakeries and ærated water factories;

(ii) the registration of births and deaths and enforcing the supply of information as may be necessary to make such registration compulsory;

(iii) the inspection and proper sanitation of the markets; and

(iv) the regulation and inspection of hotels, restaurants, eating houses and sweetmeat shops in the area; and

(*j*) generally for the sanitation of the area under its authority.

(2) For every breach of a bye-law made under this rule, the offender shall be liable to a fine not exceeding rupees one hundred.

(3) All fines imposed for the breach of any bye-law made under this rule shall, when recovered, be credited to the funds of the Board.

9. The Government may, at any time, by notification in the Official Gazette, repeal wholly or in part or modify any bye-law made by the Board.

Power of Government to repeal or modify the Bye-laws of the Board.

10. The Government may suspend the execution of, or cancel, or modify any resolution or order of the Board and prohibit the doing of anything which is about to be done or is being done on behalf of the Board. Subject to such conditions as may be imposed by the Government,

Power of Government to cancel or modify resolution or order of the Board.

the power of Government under this rule may be delegated to any authority subordinate to Government.

Power to acquire and hold property.

11. The Board shall have power to acquire and hold movable and immovable property whether within or without the limits of the local area and shall also have power,—

(1) to let on hire or lease any movable or immovable property which may have become vested in or acquired by the Board;

(2) to sell and otherwise convey, with or without any conditions, any movable or immovable property which may have become vested in or acquired by the Board, and

(3) to appropriate or apply the whole or any part of the lands which may have become vested in or acquired by the Board for the formation of open spaces or for building purposes or in any other manner for the purposes of any sanitation schemes.

Board Fund.

12. (*a*) All money received by or on behalf of the Board by virtue of these rules, all sums realised as taxes, tolls and other imposts, fines, fees, penalties paid to, or levied by it under these rules; all proceeds of land or other property sold by the Board; and all rents accruing from its land or other property; as also all interest, profits and other moneys accruing by gifts or transfers from Government or private individual or otherwise shall constitute the Board Fund.

(*b*) The fund shall be administered and applied for the purposes specified in the rules and for all other purposes for which by or under these rules or any other law for the time being in force, powers are conferred or duties imposed upon the Board and with the previous sanction of the Government for any other purpose for which the application of such property or fund is in the public interests.

Power to deposit and invest surplus funds.

13. (1) It shall be lawful for the Board to deposit at interest with the Government Savings Bank or with the sanction of the Government in any other Bank in Mysore any surplus funds in its hands which may not be required for current charges and with the like sanction, invest such funds in securities of the Government of India or of the Government of Mysore or such other securities as the Government may from time to time, approve in this behalf, and vary such investments or dispose of such securities with the like sanction.

(2) The Board Fund over and above what is invested as provided for in Sub-rule (i), shall be kept in the Government Treasury of the District.

14. All sums due from any person to the Board Fund on account of taxes, fees and all other dues may be recovered in any one or more of the following ways :— Recovery of amounts due to the Board.

(1) as an arrear of land revenue, on the written application of the President in this behalf to the Deputy Commissioner of any District in which proceedings are required to be taken.

(2) by distraint and sale, by or under the orders of the President, of the movable property of such persons; and

(3) by the institution by the President, of a civil suit against such person.

By Order,

P. H. KRISHNA RAO,

Secretary to Government,

Local Self-Government Department.

SCHEDULE.

LOCAL AREA FOR WHICH THE RULES ARE MADE.

The lands in Jannapur, Hutha and Bullapur Villages of the Shimoga Taluk, Shimoga District, in the possession or under the control of the Mysore Iron and Steel Works or Mysore Paper Mills, Ltd., and the entire Revenue Villages of Anekoppa and Ujjanipura in the Shimoga Taluk.

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PART IV.

Legislative Measures and Rules thereunder.

NOTIFICATION.

No. D. 1929—*Geol.* 82-36-6, *dated Bangalore,* 24—26*th August* 1937.

Under Section 4 of the Mysore Explosives Regulation II of 1888, the Government of His Highness the Maharaja of Mysore are pleased to make the following amendments to Schedules I and II of the Mysore Explosives Rules:—

AMENDMENTS.

(i) Substitute for item 1 of Schedule I of the Mysore Explosives Rules, the following:—

No.	Form of license (See) Schedule II	Purpose for which granted	Kinds and maximum quantities of explosives for which granted	Authority entitled to grant license	Fee	Period for which license is valid
1	1	To import into the Mysore State.	Any authorised explosive not exceeding the quantity authorised to be possessed.	The District Magistrate.	Free of charge.	.....

Note.—Application for the export of explosives from British India into the Mysore State should be submitted to the Hon'ble the Resident in Mysore, through the District Magistrate together with the license granted for the import and possession of explosives and the Stock Certificate. The fee prescribed under the Indian Arms Rules for an export license shall be paid to the Resident's Treasury in cash by Money Order or in a registered cover.

(ii) In the 2nd column of item 2 of Schedule I, substitute "2" for "1."

(iii) In Schedule II, the present Form No. 1 will be re-numbered as Form 2, and the new form prescribed for import license will be Form 1 of Schedule II appended hereto.

SCHEDULE II.

FORM I.

Article 1 *of Schedule I.*

(Free of charge.)

License to Import Explosives into the Mysore State.

Name, etc., and address of license-holders	Number of packages	Explosives		Purpose for which required	Destination	Period for which the license is valid
		Description	Weight No.			
						From To the of 193 .

District. Seal. (Signature)

Dated, 193 : of District Magistrate of

.....District.

CONDITIONS.

1. This license is given subject to the provisions of the Mysore Explosives Regulation No. II of 1888, and the Rules framed thereunder.

2. This license shall become void after the expiry of the period named thereon.

3. On the outside of each package, there shall be affixed in conspicuous characters by means of a brand or securely attached label or mark, the word "Explosive" followed by the name of the explosives or other description of the contents and the name and address of the owners or senders.

By Order,
M. VENKATANARANAPPA,
Secretary to Government,
Development Department.

Printed by the Superintendent at the Government Press, Bangalore.

Regd. No. M—1175.

The Mysore Gazette

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BANGALORE, THURSDAY, SEPTEMBER 9, 1937.

PART IV.

Legislative Measures and Rules thereunder.

NOTIFICATIONS.

No. T. 939—R. T. 3-37-9, dated Bangalore, 6th September 1937.

The Government of His Highness the Maharaja are pleased to direct that the Mutsaddies of the frontier toll-gate at Mulehole in Gundlupet Taluk, appointed as Licensing Officers under the Road Traffic and Taxes Regulation No. VI of 1935, for the purpose of collection of Vehicle taxes on motor bicycles and cars in Notification No. P. 2901—R. T. 8-36-10, dated 4th November 1936, shall cease to perform the functions of Licensing Officers with effect from 1st September 1937.

No. T. 947—R. T. 38-36-31, dated Bangalore, 6th September 1937.

In virtue of the powers conferred on them under Section 33 of the Mysore Road Traffic and Taxes Regulation VI of 1935, the Government of His Highness the Maharaja are pleased to make the following proviso to sub-rule (vii) of Rule 25 of the Motor Vehicles Tax Rules, Part I, regarding exemptions to motor vehicles kept for sale by *bona fide* dealers, the draft proviso in the said behalf having been published with Notification No. T. 740—R. T. 38-36-30, dated 18th August 1937, at page 213, Part IV of the *Mysore Gazette*, dated the 26th August 1937.

Proviso.

"Provided that the licensees shall maintain a register in the form appended showing from day to day particulars of the vehicles that were received by them and kept in the premises of their respective firms for sale, repairs or other purposes recognised by the rules and also containing information as to how and when such vehicles were disposed of or left the premises of the licensees."

By Order,

M. VENKATESA IYENGAR,
Secretary to Government,
General Department.

FORM No. 5.

Register to be maintained by dealers of Motor Vehicles.

Register No. of the vehicle if it has got one	Date when it came into the licensee's possession	Purpose for which it was received	The place where it is kept	Date when the vehicle left the premises of the licensee and why	The condition of the vehicle when it left the licensee's premises	Remarks

No. D. 2060—*J. S.* 32-36-6, *dated Bangalore,*
30*th August*—1*st September* 1937.

In exercise of the powers conferred by sub-section 2 of Section 71 of the Mysore Partnership Regulation (VI of 1936), the Government of His Highness the Maharaja of Mysore are pleased to publish for general information the following draft rules for the administration of the above regulation.

Any suggestions or additions, alterations or omissions by persons or bodies likely to be affected by these rules should be forwarded so as to reach the Secretary to Government, Development Department, within two months from the date of publication of this notification in the *Mysore Gazette*, after which they will be taken into consideration.

Any suggestions received after the due date shall not receive consideration.

The Mysore Partnership (Registration of Firms).

RULES, 1937.

Short title

These rules may be called the "Mysore Partnership (Registration of Firms) Rules, 1937."

Definitions.

2. In these rules, unless there is anything repugnant in the subject or context.—

(*a*) The Regulation means the Mysore Partnership Regulation, 1936; and

(*b*) Registrar means the Registrar of Firms.

Form and verification of statements under Sections 58 and 60.

3. The statements submitted to the Registrar under Sections 58 and 60 of the Regulation shall respectively be in Forms I and II annexed to these rules and shall be verified in the manner indicated therein.

Form of intimations and notices under Sections 61, 62 and 63.

4. Intimations and notices under Sections 61, 62 and 63 (2) of the Regulation shall respectively be in Forms III, IV, V and VI annexed to these rules with such variations as circumstances may require.

Register of Firms.

5. The Register of Firms shall be in Form A annexed to these rules. The name of and the particulars relating to each firm shall be entered therein in the order of its registration on a separate page or pages. Each firm shall be assigned a number in a consecutive series

commencing and ending with the calendar year. A note of every document filed shall be entered in the register in the page or pages allotted to the firm concerned and shall be signed by the Registrar.

Amendment of entries in Register.

6. When an entry made in the Register of Firms is to be amended, the amendment shall be shown by means of a suitable note in the remarks column opposite to the entry concerned, and the new entry shall be made at the end of the existing entry or entries with suitable cross references.

Protest against entries in Register.

7. Where any partner or other person interested makes a protest in writing to the Registrar disputing any entry made in the Register of Firms, the Registrar shall record such protest and make a reference thereto in red ink in the remarks column against the disputed entry.

The Registrar's powers of inquiry and investigation.

8. The Registrar may, in case of dispute, institute such inquiries or make such investigation as may, in his opinion, be necessary for the proper performance of his duties under the Regulation.

Index to Register of Firms.

9. (*a*) An index to the Register of Firms shall be prepared in English on loose sheets lettered alphabetically and shall contain the particulars shown in Form B annexed to these rules. A fresh index shall be prepared for each calendar year. The name of each firm shall be indexed as soon as the entries relating thereto are made in the Register of Firms.

(*b*) After all the firms registered in a year have been indexed, the index shall be checked by the Registrar who shall add a certificate in token of such check and the pages shall then be numbered in ink.

(*c*) The index for each year shall, after it has been checked, be bound into volumes of convenient size.

Acknowledgment of registration and documents.

10. (*a*) Upon the registration of a firm the Registrar shall grant to the firm an acknowledgment in Form C annexed to these rules and on the filing of any documents required to be filed under the Regulation, he shall grant to the person at whose instance it is filed an acknowledgment in Form D annexed to these rules.

(*b*) On every document filed under the Regulation, the Registrar shall endorse the following particulars, namely :—

(i) the number borne by the firm on the register,

(ii) the name of the firm,

(iii) the description of the document,
(iv) the serial number of the document and
(v) the date of filing.

The Registrar shall also affix his signature and the seal of his office to such document.

(c) If there is no space on the document for entering the particulars referred to in sub-rule (b), the entry shall be made on a separate paper which shall be attached to the document and a note of the fact shall be made on the document itself and shall be signed by the Registrar.

Filing of documents.

11. (a) The Registrar shall examine every statement, intimation, notice or other document received by him which is required by the Regulation to be registered, recorded or filed; and if he finds any such statement, intimation, notice or other document to be defective or incomplete in any of the particulars required by the Regulation or these rules, he shall return it to the party or firm tendering it, for due rectification or completion; and until such statement, intimation, notice or other document is so rectified or completed, he shall not register, record or file the same.

(b) No statement, intimation, notice or other document in respect of which a fee is payable shall be registered, recorded or filed by the Registrar until the fee has been paid to him, and the Registrar shall, pending such payment, act as if no such statement, intimation, notice or other document has been tendered for registration, record or filing.

(c) A separate file shall be maintained in respect of each firm, in which all documents relating thereto received from time to time by the Registrar shall be filed.

Account of and receipt for fees.

12. An account of all fees received in the Registrar's Office shall be maintained therein.

All fees payable under the Regulation shall be paid either in cash to a Government Treasury or by affixing Mysore Court Fee Stamps.

Inspection of original documents.

13. Any person interested in a firm may, on satisfying the Registrar of such interest and on payment of the prescribed fee, inspect the original document relating to the firm filed with the Registrar.

Application for copies to be in writing.

14. Every application for a copy under Section 67 of the Regulation shall be in writing.

Seal.

15. The seal used by the Registrar shall bear the words "Registrar of Firms, Mysore."

Preservation and elimination of Registers and Records.

16. (*a*) The Register of Firms and the index thereto shall be preserved permanently.

(*b*) All other records, including the statements referred to in Section 58 of the Regulation, may be destroyed.

(i) in the case of a firm which has been dissolved, on the expiry of five years from the date of its dissolution; and

(ii) in the case of a firm which, though not dissolved, has not been transacting business and has not been heard of for a period of not less than seven years, in accordance with and subject to the provisions of sub-rule (*c*).

(*c*) In cases falling under clause (ii) of sub-rule (*b*), the Registrar shall publish in the *Mysore Gazette* and at the same time send by registered post to each of the partners of the firm concerned to his last known address, a notice stating that the records and statements relating to the firm will be destroyed unless cause is shown to the contrary within a period of three months from the date of publication of the notice in the *Mysore Gazette*. If cause is not shown as aforesaid, the records and statements may be destroyed.

Translations to be furnished where original not in English or in Kannada.

17. If any document required to be filed under the Regulation or any portion of such document is not in the English or Kannada languages, an English translation of such document or portion, certified as correct by at least one partner (or his authorised agent) shall be furnished along with each copy of such document or portion.

Office hours.

18. The Office of the Registrar shall be open for business (Sundays and authorised holidays excepted) between the hours of 11 A.M. and 5 P.M.

Administration report.

19. The Registrar shall submit to Government so as to reach them on or before the 1st June in each year, a report on the working of the Regulation, during the year ending the 31st March preceding.

By Order,

M. VENKATANARANAPPA,

Secretary to Government,
Development Department.

FORM No. I.

(*See Rule 3.*)

Filing fee Rs. 3.

The Mysore Partnership Regulation, 1936.

Application for registration of firm by the name*

Presented or forwarded to the Registrar of Firms for filing by

We, the undersigned being the partners of the firm hereby apply for registration of the said firm and for that purpose supply the following particulars in pursuance of Section 58 of the Mysore Partnership Regulation, 1936—

The firm name*		
Places of business	(*a*) Principal place (*b*) Other places	
Name of partners in full	Date of joining the firm	Permanent address in full
1.		
2.		
Duration of the firm		

Station

Date

Signature of the partners or their specially authorised agents.

I, son of years of age of religion, do hereby declare that the above statement is true and correct to the best of my knowledge and belief.

Date

Witnesses

Signature.

I, son of years of age of religion, do hereby declare that the above statement is true and correct to the best of my knowledge and belief.

Dated

Witness

Signature.

* Here enter name of firm.

If any partner is a minor the fact whether he is entitled to the benefits of partnership should be set out herein.

N.B.—This form must be signed by all partners or their agents specially authorised in this behalf in the presence of a witness or witnesses who must be either a Gazetted Officer, Advocate, Attorney, Pleader, Honorary Magistrate.

FORM No. II.

(*See Rule 3.*)

Filing fee Re. 1.

The Mysore Partnership Regulation, 1936.

Statement of alteration in the name of the firm or in the location of the principal place of business. Presented or forwarded to the Registrar of firms for filing by

We, the undersigned, being the partners of the firm* hereby supply the following particulars in pursuance of Section 60 (1) of the Mysore Partnership Regulation, 1936—

Name of Firm.

Previous name	New name

Principal place of business.

Previous place	New place

Station

Date

Signature of the partners or their specially authorised agents.

I, son of years of age of religion, do hereby declare that the above statement is true and correct to the best of my knowledge and belief.

Date

Witness

Signature.

I, son of years of age of religion, do hereby declare that the above statement is true and correct to the best of my knowledge and belief.

Dated

Witnesses

Signature.

* Here enter the name of the firm.

N.B.—Strike out item not required.

FORM No. III.

(*See Rule* 4.)

Filing fee Re. 1.

The Mysore Partnership Regulation, 1936.

Intimation of change in the place of business (other than principal place of business).

Presented or forwarded by the Registrar of Firms for filing by

Under Section 61 of the Mysore Partnership Regulation, 1936, intimation is hereby given that the change specified below have occurred in the place of business of the firm.*

Date of change.

(1) The firm has discontinued business at

(2) The firm has begun to carry on business at

Station

Date

Signature of any partner or agent of the firm.

* Here enter name of firm.
N.B.—Strike out items not required.

FORM No. IV.

(*See Rule* 4.)

Filing fee Re. 1.

The Mysore Partnership Regulation, 1936.

Intimation of alteration in the name or permanent address of partner.

Presented or forwarded to the Registrar of Firms for filing by

Under Section 62 of the Mysore Partnership Regulation, 1936, intimation is hereby given that the change specified below has occurred in the name of permanent address of partner in the firm.

Name of Partner.

Previous name (in full)	New name (in full)

Name of Partner.

Previous permanent address (in full)	Present permanent address (in full)

Station

Date

Signature of any partner or agent of the firm.

* Here enter name of firm.
N.B.—Strike out item not required.

FORM No. V.

(*See Rule* 4.)

Filing fee Re. 1.

The Mysore Partnership Regulation, 1936.

Notice of change in the constitution of the firm or of the dissolution of the firm.

Presented or forwarded to the Registrar of firms for filing by

Under Section 63 (1) of the Mysore Partnership Regulation, 1936, notice is hereby given that

(1) the constitution of the firm has been altered as follows:—

Name and full address of the in-coming partner and date of his joining the firm	Name and full address of the out-going partner and date of ceasing to be partner

Station
Date

Signature of the in-coming, continuing or the out-going partner or of his specially authorised agent.

(2) The firm* has been dissolved with effect from the

Station
Date

Signature of the person who was a partner immediately before the dissolution or of his specially authorised agent.

* Here enter name of the firm.
N.B.—Strike out item not required.

FORM No. VI.

(*See Rule* 4.)

Filing fee Re. 1.

The Mysore Partnership Regulation, 1936.

Notice of election by person admitted to the benefit of partnership on attaining majority.

Presented or forwarded to the Registrar of Firms for filing by

Under Section 63 (2) of the Mysore Partnership Regulation, 1936, notice is hereby given that admitted to the benefit of partnership in the firm* having now attained majority $\frac{\text{elects to become}}{\text{elects not to become}}$ a partner of the said firm.

Station
Date

Signature of the person electing or of his specially authorised agent.

* Here enter name of firm.

FORM A.

(*See Rule* 5.)

Register of Firms.

(Maintained under Section 59 of the Mysore Partnership Regulation, 1936.)

1. Serial Number of Firm.
2. Name of Firm.
3. Date of registration.
4. Duration of the Firm.
5. Address.

Date of change	Remarks	6. Partners					7. Principal place of business and changes therein		
		Name of the partners	Address	Date of		Remarks	Particulars regarding the place	Date of change	Remarks
				Joining	Ceasing				

8. Other places of business				Name of Firm				Name of Firm			
Name of place	Date of		Remarks	Serial No. of the document	Description of document	Date of filing	Signature of Registrar	Serial No. of the document	Description of document	Date of filing	Signature of the Registrar
	Opening	Ceasing									

FORM B.

(See Rule 9.)

Index to the Register of Firms.

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Firm name	Name of partners	Principal place of business	Volume No.	1st page of entry	Number borne on the register
1	2	3	4	5	6

FORM C.

(See Rule 10 (a).)

ACKNOWLEDGMENT OF REGISTRATION OF FIRM.

The Registrar of Firms, Mysore, hereby acknowledges the receipt of the statement prescribed by Section 58 (1) of the Mysore Partnership Regulation, 1936. The statement has been filed and the name of the firm* has been entered in the Register of Firms.

as No. of 193 .

Seal

Bangalore City, dated the

day of 193 . *Registrar of Firms.*

* Here enter name of firm.

FORM D.

(See Rule 10 (a).)

MEMORANDUM ACKNOWLEDGING RECEIPT OF DOCUMENTS.

The Registrar of Firms, Mysore, hereby acknowledges the receipt of the undermentioned document/documents and intimates that it has/they have been filed in pursuance of the Mysore Partnership Regulation, 1936.

Here enter description of document/documents.

Bangalore City.

Dated 193 . *Registrar of Firms.*

To

Mr./Messrs.

No. D. 2062—*J. S.* 32-36-7, *dated, Bangalore,*
16*th August*—1*st September* 1937.

In exercise of the powers conferred by Sub-Section (1) of Section 71 of the Mysore Partnership Regulation (VI of 1936) the Government of His Highness the Maharaja of Mysore are pleased to publish for general information, the following draft rule proposed to be framed under the Regulation :—

"The fees which shall accompany documents sent to the Registrar of Firms, or which shall be payable for the inspection of documents in the custody of the Registrar of Firms or for copies from the Registrar of Firms, shall be the maximum fee specified in Schedule I to the Regulation."

Any suggestions or addition, alteration or omission, by persons or bodies likely to be affected by the above rule, should be forwarded so as to reach the Secretary to Government, Development Department, within two months from the date of publication of this notification in the *Mysore Gazette* after which the rule will be taken into consideration.

Any suggestions, etc., received after the due date shall not receive consideration.

No. D. 2134—*I. & C.* 113-35-14, *dated Bangalore,*
the 1*st*—6*th September* 1937.

In exercise of the powers conferred by Section 32A of the Mysore Workmen's Compensation Regulation XIV of 1928 as amended by Regulation III of 1936, the Government of His Highness the Maharaja of Mysore are pleased to make the following rules for the transfer to any part of British India or to any other State in India of money paid to a Commissioner under the Workmen's Compensation Regulation for the benefit of any person residing or about to reside in British India or any other State in India and for the receipt and administration in Mysore State of any money awarded under the law relating to Workmen's Compensation in British India or any

other State in India and applicable for the benefit of any person residing or about to reside in the Mysore State.

By Order,

M. VENKATANARANAPPA,
Secretary to Government,
Development Department.

RULES.

PART I.

General.

These rules may be called the Workmen's Compensation (Transfer of Money) Rules 1937.

2. In these rules unless there is anything repugnant in the subject or context.

(*a*) "The Regulation" means the Mysore Workmen's Compensation Regulation XIV of 1928 as amended by Regulation III of 1936.

(*b*) "Authorised Officer" means any officer whom Government may designate either generally or in respect of any area or class of cases for the purpose of performing the functions assigned by these rules to the authorised officer.

(*c*) "Transferring authority" means any authority in British India or any other State in India who transfers or causes to be transferred any lumpsum awarded under the law relating to Workmen's Compensation in British India or such State and applicable for the benefit of any person residing or about to reside in Mysore State.

3. When any sum is transmitted by any authority in Mysore State to any other authority in accordance with these rules, the costs of such transmission may be deducted from the sum so transmitted.

4. Money transmitted by any authority in Mysore State to any other authority in the State in accordance with these rules shall be transmitted by one of the methods prescribed in Rule 42 of the Workmen's Compensation Rules, 1929.

PART II.

Transfer of money paid to a Commissioner for the benefit of any person residing or about to reside in any other country.

5. When the whole or any part of a lumpsum deposited with a Commissioner for payment as compensation under the Regulation is payable to any person or persons residing or about to reside in any other country, the Commissioner may order the transfer to that country of the sum so payable.

6. When the Commissioner has ordered the transfer of any sum under Rule 5, he shall cause to be prepared and shall certify under his hand a memorandum containing a brief statement of the facts of the case, of the orders passed upon it and of the name and address of each person to whom payment is to be made.

7. If the Commissioner is not himself the authorised officer, he shall forward the memorandum in duplicate to the authorised officer and may either remit the sum to be transferred to the authorised officer or retain it and dispose of it in accordance with the directions of the authorised officer. If the Commissioner is himself the authorised officer, he shall proceed as provided in Rule 8.

8. The authorised officer, after satisfying himself that the memorandum is complete, shall forward it and remit or cause to be remitted the sum to which it relates by such means of safe transmission as he may consider convenient to the authority appointed in this behalf for the country to which the sum is to be transferred or if no such authority has been appointed, to such authority as Government may by general or special order direct and shall at the same time request the authority addressed.

(*a*) to arrange for payment to be made in accordance with the directions contained in the memorandum.

(*b*) to furnish him with a report of the action taken upon the memorandum and return any sum the payment of which is for any reason impossible.

9. (1) The authorised officer shall, if he is not the Commissioner with whom the matter originated, forward to such Commissioner a copy of any report received in response to a request made under rule 8.

(2) Any sum returned in accordance with rule 8 shall be disposed of in accordance with the Regulation.

PART III.

Receipt and administration in Mysore State of any money awarded under the law relating to Workmen's Compensation in another country.

10. (1) The authorised officer shall be the proper authority to receive moneys from transferring authorities.

(2) If any Commissioner or other Government servant, not being the authorised officer received any sum from a transferring authority, he shall either forward such sum together with any papers relating thereto, to the authorised officer for disposal or obtain the instructions of the authorised officer as to the disposal of the sum and papers and act in accordance with his instructions.

11. The authorised officer may himself dispose of any sum or part of any sum which he received or of which he assumes control under Rule 10, or may send it or any part of it for disposal to such Commissioner or Commissioners as he considers proper.

12. All sums received from a transferring authority shall be disposed of as far as possible in accordance with the provisions of the Workmen's Compensation Regulation and the Rules:

Provided that the directions, if any, received from the transferring authority as to the manner in which the sum should be administered shall be complied with.

13. (1) The authorised officer shall forward to the transferring authority a report showing how the sum received from him has been disposed of.

(2) Any Commissioner not being the authorised officer who has disposed of any part of the sum shall make a report in duplicate, as to the disposal of that part, to the authorised officer and if the sum was received by him from another such Commissioner acting in accordance with Section 20 of the Regulation shall forward his report through that Commissioner.

14. Any part of the sum received from the transferring authority which shall have remained undisbursed after the completion of the proceedings shall be returned to the transferring authority by or under the direction of the authorised officer.

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PART IV.

Legislative Measures and Rules thereunder.

NOTIFICATIONS.

No. R. 1191—L. R. 21-37-14, dated Bangalore, 9th September 1937.

Addenda and Corrigenda to Rules under the Mysore Land Revenue Code.

Under powers vested in them by Section 233 of the Land Revenue Code and in pursuance of the orders issued in Government Order No. R. 1131-90—L. R. 21-37-13, dated 9th September 1937, Government are pleased to direct that the first paragraph of Rule 60 A of the Rules under the Land Revenue Code be amended so as to read as follows:—

"Notwithstanding anything contained in the foregoing rules, no fines shall be imposed for the appropriation of agricultural lands made over to, or acquired under the Land Acquisition Regulation at the instance of Government Departments, Municipal Councils, Local Boards or Village Panchayets for charitable or public purposes from which the Government Department, Municipality or Local Body concerned does not derive any profit, such as construction of a school building, laying out of a play ground, roads, hospitals, dispensaries, rest-houses, etc."

By Order,

B. T. KESAVIENGAR,

Chief Secretary to Government.

No. T. 954—*R. T.* 12-37-2, *dated Bangalore, the 9th September* 1937.

In exercise of the powers vested in them under Sections 5 and 33 of the Mysore Road Traffic and Taxes Regulation VI of 1935, the Government of His Highness the Maharaja are pleased to direct that the following rule regarding the provision of First Aid Boxes in motor buses, the draft rule in the said behalf having been notified with Notification No. T. 571—R.T. 12-37-1, dated 8th August 1937, and published at page 167 of Part IV of the *Mysore Gazette*, dated the 12th August 1937, be added as Rule 80A to Rules regarding Public Service Motor Vehicles, published with Notification No. P. 3992—Legis. 46-35, dated 18th December 1935, as amended from time to time:—

"80A. Every motor bus plying for hire should be equipped with a first-aid box containing essential requirements as approved by the Traffic Board and it shall be kept in a prominent and easily accessible place in the bus."

By Order,

M. VENKATESA IYENGAR,

Secretary to Government,
General Department.

No. D. 2260—I. & C. 113-35-22, dated Bangalore, 2nd—13th September 1937.

The following draft amendments to the Workmen's Compensation Rules, 1929, which the Government propose to make in exercise of the powers conferred on them by Section 31 (1) of the Workmen's Compensation Regulation, 1928, as amended by Regulation III of 1936, are hereby published for the information of persons likely to be affected thereby and notice is hereby given that the said draft rules will be taken into consideration on or after the 1st December 1937. Any objections or suggestions which may be received from any person with respect to the said rules before the date aforesaid will be taken into consideration.

By Order,

M. VENKATANARANAPPA,

Secretary to Government,
Development Department.

Amendments to the Mysore Workmen's Compensation Rules, 1929.

PART I.

Review of half-monthly payments and commutation thereof.

"Omit sub-rule (*d*). Read sub-rule (*e*) as sub-rule (*d*) and insert the following as sub-rule (*e*). Rule 3.

"Either by the employer or by the workman on the ground that in the determination of compensation, there is a mistake or error apparent on the face of the record."

PART II.

Deposit of compensation and registration of dependants.

Under sub-rule (1), after the words "An employer depositing compensation with the Commissioner under Rule 6.

sub-section (1) of section 8," insert the following words :—

"In respect of a workman whose injury has resulted in death."

Insert the following after the words "Form B" appearing under sub-rule (1).

"In other cases of deposits with the Commissioner under sub-section (1) of section 8, the employer shall furnish a statement in Form "AA" and shall be given a receipt in Form 'B'."

Under sub-rule (2) delete the words, "if in the statement referred to in sub-rule (1) the employer indicates" and substitute the following :—

"If when depositing compensation in respect of fatal accidents, the employer indicates in the statement referred to in sub-rule (1)."

Rule 7. After the words, "in respect of whose death" add the words "Or injury."

Rule 8. For sub-rule (1) substitute the following sub-rule :—

"A dependant of a deceased workman may apply to the Commissioner for the issue of an order to deposit compensation in respect of the death of the workman. Such application shall be made in form 'G'."

For the heading "Procedure where no compensation deposited" appearing against sub-rule (1) of rule 8, substitute the following heading :—

"Application by dependants for deposit of compensation."

In sub-rule (2) before the words, "The Commissioner shall dispose of", insert the words "If compensation has not been deposited."

Rule 10. Substitute the following rule for rule 10 "Money in the hands of a Commissioner may be invested for the benefit of the dependants of a deceased workman in Government Securities or may be deposited in a Government Savings Bank."

PART III.

For the title "Inquiry by employer" appearing under Part III, substitute the following title :—

"Reports of Accidents."

Rule 12. Insert the following rule as rule 12 before sub-rule (1) of rule 12.

"The report required by section 10 B shall, subject to such rules, if any, as may be made by Government be in the form "EE."

Insert the heading "Report of fatal accidents" against rule 12.

Read rule 12 (1) as rule 12 A (1) and substitute the words "who has received information of an accident" for the words "to whom notice of an accident has been given" appearing under this rule.

Substitute the words "Information received" for the words "Notice given" appearing in the heading against Rule 12A (1).

PART V.

PROCEDURE.

Substitute the following for sub-rule (1) of rule 21. Rule 21.

"On receiving such application, the Commissioner may examine the applicant on oath, or may send the application to any officer authorised by Government in this behalf and direct such officer to examine the applicant and his witnesses and forward the record thereof to the Commissioner."

After sub-rule (2) insert the following sub-rules as sub-rules 3 and 4. Rule 37.

(3) "If any person served with a notice under sub-rule (1), whether or not he desires to contest the applicant's claim for compensation or the opposite party's claim to be indemnified, claims that being a contractor he is himself a principal and is entitled to be indemnified, by a person standing to him in the relation of a contractor from whom the workman could have recovered compensation, he shall on or before the date fixed in the notice under sub-rule (1) present a notice of such claim to the Commissioner accompanied by the prescribed fee and the Commissioner shall thereupon issue notice to such person in Form "JJ."

(4) "If any person served with a notice under sub-rule (3) desires to contest the applicant's claim for compensation, or the claim under sub-rule (3) to be indemnified, he shall appear before the Commissioner on the date fixed in the notice in Form "JJ" or on any date to which the case may be adjourned and, if he so appears, shall have all the rights of a party to the proceedings; in

default of so appearing, he shall be deemed to admit the validity of any award made against the original opposite party or the person served with a notice under sub-rule (1) and to admit his own liability to indemnify the party against whom such award is made for any compensation recovered from him:

Provided that, if any person so served appears subsequently and satisfies the Commissioner that he was prevented by any sufficient cause from appearing, the Commissioner shall, after giving notice to all parties on the record, hear such person, and may set aside or vary any award made against such person under this rule upon such terms as may be just."

Substitute the following sub-rule for sub-rule (3) and re-number it as sub-rule (5).

"In any proceeding in which a notice has been served on any person under sub-rule (1) or sub-rule (3) the Commissioner shall, if he awards compensation, record in his judgment a finding in respect of each of such persons whether he is or is not liable to indemnify any of the opposite parties, and shall specify the party, if any, whom he is liable to indemnify."

Rule 39. Insert the following rule as rule 39-A after rule 39.

"Any form other than a receipt for compensation, which is by these rules required to be signed by a Commissioner may be signed under his direction and on his behalf by any officer subordinate to him appointed by him in writing for this purpose.

FORMS.

Form A. Substitute the following Form for Form "A".

After Form "A" insert the following form as Form "AA."

Form "C." In Form 'C' after the column "Amount deposited" insert the following column:—

"Amount deducted and repaid to the employer under the proviso to section 8 (1)."

Form 'D.' In Form 'D' after the words "Non-fatal accidents" add the words "Other than to a woman or person under legal disability."

Form 'E.' After Form 'E' insert the following form as form 'EE.'

Form 'F.' Omit the word "Not" appearing under item No. 4 (*a*) of form 'F.'

Delete the words "To determine the following questions in dispute, namely" appearing below item No. 7 and substitute the following :— Form 'G.'

"To award to the applicant the said compensation or any other compensation to which he may be entitled."

Delete the clauses (*a*), (*b*), (*c*), (*d*), (*e*), (*f*) and (*g*) appearing below item No. 7.

After Form 'J' insert the following form as Form 'JJ.' Form 'J.'

After Form 'M' insert the following forms namely Form 'N,' Form 'O' Form 'P' Form 'Q' and Form 'R' published on pages 25 to 50 of Part III of the *Mysore Gazette*, dated 7th March 1929. Form 'M.'

FORM A.

[(*See Rule 6 (1)*)].

DEPOSIT OF COMPENSATION FOR FATAL ACCIDENT.

Section 8 (1) of the Workmen's Compensation Regulation.)

Compensation amounting to Rs. .....is hereby presented for deposit in respect of injuries resulting in the death of the workman, whose particulars are given below, which occurred on.....

Name.....

Father's name.....

(Husband's name in case of married woman or widow.)

Caste.....

Local address.....

Permanent address.....

His/Her monthly wages are estimated at Rs. ..... He/She was over/under the age of 15 years at the time of his/her death.

2. The said workman had, prior to the date of his/her death received the following payments, namely :—

Rs. ..... on.....Rs. .....on.....

Rs. .....on.....Rs. .....on.....

Rs. .....on.....Rs. .....on.....

amounting in all to Rs. .....

3. An advance of Rs. .....has been made on account of compensation to.....being his/her dependant.

4. *I do not desire to be made a party to the proceedings for distribution of the aforesaid compensation.

Dated..... .....19 . ...

Employer.

* An employer desiring to be made a party to the proceedings should strike out the words "do not."

FORM AA.

[(*See Rule 6 (1)*.)]

DEPOSIT OF COMPENSATION FOR NON-FATAL ACCIDENT TO A WOMAN OR PERSON UNDER LEGAL DISABILITY.

(*Section 8 (1) of the Workmen's Compensation Regulation*).

Compensation amounting to Rs. .....is hereby presented for deposit in respect of injuries sustained by.....residing at.....on.....19 , resulting in the $\frac{\text{loss of}}{\text{temporary disablement}}$. $\frac{\text{His}}{\text{Her}}$ monthly wages are estimated at Rs. ..... $\frac{\text{He}}{\text{She}}$ was $\frac{\text{over}}{\text{under}}$ the age of 15 years at the time of the accident.

2. The said injured workman has prior to the date of the deposit received the following half-monthly payments, namely :—

Rs. .....on.....Rs. .....on.....
Rs. .....on.....Rs. .....on.....
Rs. .....on.....Rs. .....on.....

Dated.....*19* . *Employer*.

FORM EE.

[(*See Rule 12*).]

REPORT OF FATAL ACCIDENTS.

TO

.....

SIR,

I have the honour to submit the following report of an accident which occurred on.....(date), at.....(here enter details of premises) .....and which resulted in the death of the $\frac{\text{workman}}{\text{workmen}}$ of whom particulars are given in the statement annexed.

2. The circumstances attending the death of the $\frac{\text{workman}}{\text{workmen}}$ were as under :—

(*a*) Time of the accident.
(*b*) Place where the accident occurred.
(*c*) Manner in which deceased $\frac{\text{was}}{\text{were}}$ employed at the time.
(*d*) Cause of the accident.
(*e*) Any other relevant particulars.

I have, etc.,

Signature, and designation of person making the report.

Statement.

Name	Sex	Age	Nature of employment	Full postal address

FORM JJ.

NOTICE.

Whereas a claim for compensation has been made by..... applicant, against..... and the said..... has claimed that.....is liable under Section 12 (2) of the Workmen's Compensation Regulation, to indemnify him against any compensation which he may be liable to pay in respect of the aforesaid claim, and whereas the said.....on notice served has claimed that you.....stand to him in the relation of a contractor from whom the applicant.....could have recovered compensation you are hereby informed that you may appear before me on..... and contest the claim for compensation made by the said applicant or the claim for indemnity made by the opposite party..... In default of your appearance you will be deemed to admit the validity of any award made against the opposite party..... and your liability to indemnify the opposite party..... ...for any compensation recovered from him.

Dated.....19 .

.....

Commissioner.

FORM N.

(*See Rule 46.*)

Whereas an agreement to pay compensation is said to have been reached between.....and..... .....and whereas..... has/have applied for registration of the agreement under section 27 of the Workmen's Compensation Regulation, notice is hereby given that the said agreement will be taken into consideration on.....19 , and that any objections to the registration of the said agreement should be made on that date. In the absence of valid objections, it is my intention to proceed to the registration of the agreement.

Dated.....19 .

.....

Commissioner.

FORM O.

(*See Rules 46 and 47.*)

Take notice that registration of the agreement to pay compensation said to have been reached between you .. ..and on the.....19 . has been refused for the following reasons, namely :—

.....

.....

Dated.....19 .

.....

Commissioner.

FORM P.

(See Rule 47.)

Whereas an agreement to pay compensation is said to have been reached between.....and.....and whereas..... has/have applied for registration of the agreement under section 27 of the Workmen's Compensation Regulation, and whereas it appears to me that the said agreement ought not to be registered for the following reasons, namely :—

.....

.....

an opportunity will be afforded to you of showing cause on..... .....19 why the said agreement should be registered. If no adequate cause is shown on that date, registration of the agreement will be refused.

Dated.....*19* .

.....

Commissioner.

FORM Q.

(See Rule 47.)

Whereas an agreement to pay compensation is said to have been reached between.....and.....whereas..... has/have applied for registration of the agreement under section 27 of the Workmen's Compensation Regulation, and whereas it appears to me that the said agreement ought not to be registered for the following reasons, namely :—

.....

an opportunity will be afforded to the said..... ..... of showing cause on.....19 .....why the said agreement should be registered. Any representation which you have to make with regard to the said agreement should be made on that date. If adequate cause is then shown, the agreement may be registered.

Dated.....*19* .

.....

Commissioner.

FORM R.

(See Rule 49.)

REGISTER OF AGREEMENTS FOR THE YEAR 19 .

Serial Number	Date of agreement	Date of registration	Employer	Workman	Initials of Commissioner	Reference to orders rectifying the register

Dated.....*19* .

.....

Commissioner.

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PART IV.

Legislative Measures and Rules thereunder.

NOTIFICATIONS.

No. T. 1029—*R.T.* 36-36-5, *dated Bangalore, the* 17*th September* 1937.

The following draft amendments to the rules published under Notification No. T. 962—R.T. 36-36-3, dated 18—19th January 1937, which Government propose to make in exercise of the powers conferred upon them under Section 9 (4) of the Mysore Road Traffic and Taxes Regulation No. VI of 1935, as amended by Regulation No. IX of 1936, are published for the information of persons likely to be affected thereby and notice is hereby given that the said draft will be taken into consideration on or after the 1st October 1937 and that any suggestions or objections which may be received from any person in respect of the said amendments within that date will be considered by Government.

AMENDMENTS.

Rule (1)—*Insert* "leviable or" *between* the words "cesses" and "levied" in line 3.

Substitute "was payable or" *for* "has been" in the last line.

Rule (2)—*Insert* "payable or" *between* the words "amount" and "paid" in line 1.

Insert "for sanction by the authority empowered to do so" *between* the words "limitation" and "shall" in line 3.

Delete "of the payment of" in line 4.

Add words "was payable or paid" at the end of the rule.

The rules will, after the above amendments, read as follows, and be added to Rule 24 of the Motor Vehicles Tax Rules, Part I, as Clause (*g*) :—

Rule 24 (*g*)—(1) Except where otherwise specified under the rules, all applications for remission or refund of tolls, taxes and cesses leviable or levied under the Regulation shall be made not later than one calendar month from the date of the expiry of the period for which the toll, the tax or the cess was payable or paid.

(2) For remission or refund of any amount payable or paid under the Regulation as tolls, taxes, cess or for any other claim in respect of these, the period of limitation for sanction by the authority empowered to do so shall be one year from the date the said tax, toll or cess was payable or paid.

No. T. 1038—*Legis.* 12-33-23, *dated Bangalore, the* 17*th September* 1937.

The Commissioner of Police, Madras, is appointed licensing officer under the Mysore Road Traffic and Taxes Regulation, VI of 1935, for the purpose of collection of short-term vehicle taxes on motor bicycles and cars only and for the grant of licenses therefor.

This will have effect on and from the 1st October 1937.

No. T. 1051—*R. T.* 10-37-4, *dated Bangalore, the* 15—20*th September* 1937.

Errata.

In Notification No. T. 746—R. T. 10-37-2, dated 18th August 1937, published at page 214, Part IV of the *Mysore Gazette*, dated 26th August 1937, regarding acceptance of certificates of weighments of motor vehicles issued at certain weigh bridges, *insert* the word "Tax" *between* the words "Vehicles" and "Rules" in line 6, para 1.

The relevant sub-rule will be (vi) of Rule 9 of the Mysore Motor Vehicles Tax Rules, Part I.

By Order,

M. VENKATESA IYENGAR,
Secretary to Government,
General Department.

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PART IV.

Legislative Measures and Rules thereunder.

NOTIFICATION.

No. G. 2787—*P. H.* 128-36-5, *dated Bangalore, the* 28*th September* 1937.

Under Section 20 of the Mysore Prevention of Adulteration Regulation, IX of 1921, as amended by Regulations IV of 1929 and IV of 1930, Government are pleased to make the rules issued with Government Notification No. G. 2463—San. 61-30-7, dated 22nd September 1931 (annexed hereto) applicable to the Nanjangud Town Municipality.

By Order,
P. H. KRISHNA RAO,
Secretary to Government,
Local Self-Government Department.

Rules under the Mysore Prevention of Adulteration Regulation.

1. In these rules, "Regulation" means the Mysore Prevention of Adulteration Regulation, IX of 1921.

"Section" means section of the above Regulation.

Section 3.—

2. The officer to whom the local executive officer may delegate his powers shall be of the rank of a Health Officer or shall hold the diploma of Public Health. No

legal proceedings under the Regulation shall be instituted without the permission in writing of the President or the Commissioner as the case may be.

Section 20 (*b*).—

3. The area within which the local executive officer of a Municipal Council shall exercise powers shall be the Municipal limits of the place.

Section 20 (*c*).—

4. *Cleanliness of Vessels.*—All vessels, receptacles or utensils used for manufacturing or preparing food or containing any food intended for sale shall be cleansed with clean boiling water before and after use and shall be kept in a constant state of cleanliness. In case of food likely to be acted upon by the metal of the vessels, receptacles or utensils in which the food is manufactured, prepared or contained for purposes of sale, precautions shall be taken to prevent such metallic contamination.

Section 20 (*d*).—

5. *How notice of Admixture, Addition or Deficiency shall be given.*—If the vendor of any article intended for food knows that it is admixed with any foreign substance whatsoever or that any component part has been abstracted therefrom, he shall give due notice of such admixture or abstraction by means of distinct and clear labels in Kannada or in any other language likely to be read and understood by the people, affixed conspicuously on each package or receptacle containing the article. Unless the vendor of any food containing an admixture, addition or deficiency, knows of his own knowledge, that the purchaser is able to read and understand the label, he shall give the purchaser the information contained in the label by word of mouth at the time of purchase.

Section 20 (*e*).—

6. The standards of purity prescribed for milk, cream, butter and ghee are as follows :—

Milk.—

Cow's Milk.—(1) Where a sample of cow's milk (not being sold as skimmed or separated milk), contains less than three per cent of milk-fat, it shall be presumed for

the purposes of this Regulation, until the contrary be proved, that the milk is not genuine, by reason of the abstraction therefrom of milk-fat or the addition thereto of water.

(2) When a sample of cow's milk or any skimmed or separated cow's milk contains less than 8·5 per cent of milk-solids other than milk-fat, it shall be presumed for the purposes of this Regulation, until the contrary be proved, that the milk is not genuine by reason of the addition thereto of water.

(3) When a sample of cow's milk, whether sold as cow's milk or as skimmed or separated cow's milk, contains less than 0·5 per cent of nitrogen, it shall be presumed for the purposes of this Regulation, until the contrary be proved, that the milk is not genuine by reason of the addition thereto of water.

Buffalo Milk.—(4) Where a sample of buffalo milk (not being sold as skimmed or separated milk), contains less than 4·5 per cent of milk-fat, it shall be presumed for the purposes of this Regulation, until the contrary be proved, that the milk is not genuine by reason of the abstraction therefrom of milk-fat or the addition thereto of water.

(5) Where a sample of buffalo milk, whether sold as buffalo milk, or as skimmed or separated buffalo milk, contains less than nine per cent of milk-solids other than milk-fat, it shall be presumed for the purposes of this Regulation, until the contrary be proved, that the sample is not genuine by reason of the addition thereto of water.

(6) Where a sample of buffalo milk, whether sold as buffalo milk or as skimmed or separated buffalo milk, contains less than 0·53 per cent of nitrogen, it shall be presumed for the purposes of this Regulation, until the contrary be proved, that the sample is not genuine, by reason of the addition thereto of water.

N. B.—The minimum limits for nitrogen prescribed above under (3) and (6) are intended to be used in those cases in which a sample of milk when it is analysed, is so far decomposed that an estimation of the proportion of milk-solids other than milk-fat in the sample before decomposition will be unreliable, the proportion of nitrogen not being appreciably affected by decomposition.

Unspecified Milk.—(7) Where a sample of milk, separated milk or skimmed milk, is sold or offered for sale or hawked about, without any indication as to whether it

is derived from the cow or the buffalo and by comparison with the minimum limits given for the cow's milk in the above, it appears to be adulterated, it shall be presumed for the purposes of this Regulation, until the contrary be proved, that the sample is not genuine for the reason given in the above rule or rules which are applicable.

Maximum limit for Dirt in Milk.—(8) Where a sample of milk, separated or skimmed milk, deposits, on standing for a period of 24 hours or less, an amount of visible sediment exceeding five parts per 100,000 (both milk and sediment being measured by volume), it shall be presumed for the purposes of this Regulation, until the contrary be proved, that the sample is not genuine by reason of its containing an excessive amount of dirt.

Cream.—(9) Where a sample of cream contains less than 20 per cent of milk-fat, it shall be presumed for the purposes of this Regulation, until the contrary be proved, that the sample is not genuine.

Butter.—(10) Where the proportion of water in a sample of butter exceeds 20 per cent, it shall be presumed for the purposes of this Regulation, until the contrary be proved, that the butter is not genuine by reason of the excessive amount of water therein.

Ghee.—(11) Where the proportion of water in a sample of ghee exceeds one per cent, it shall be presumed for the purposes of this Regulation, until the contrary be proved, that the ghee is not genuine by reason of the excessive amount of water therein.

Section 20 (*f*).—

7. (1) No person shall add water or any dried or condensed milk or any fluid reconstituted therefrom or any skimmed milk or separated milk to milk intended for sale, and no person shall, by himself or by any servant or agent, sell or offer for sale or hawk about, any milk to which any such addition has been made.

(2) No person shall abstract any ingredient from milk, without giving due notice of the same, in an unambiguous manner, of the fact of such abstraction therefrom, as prescribed in rules under Section 20 (*d*).

(3) No person either by himself or any servant or agent, shall sell or offer for sale or hawk about, as milk, any liquid in the making of which dried milk or condensed milk has been used or to which water or other diluent or

adulterant has been added or from which any ingredient has been abstracted, without due notice of the same to the purchaser as prescribed in rule under Section 20 (*d*).

Section 20 (*g*).—

8. Any receptacle containing dried, condensed, skimmed or separated milk shall be labelled with an adhesive label which shall contain the information and be of the size indicated below. The information shall be in black type, printed or written in the centre of the label, which shall be of white colour. Nothing else shall be printed or written on the label, except the name of the article. The label shall be clearly visible to the purchaser and shall measure at least 2″×4″ where only Kannada is used or at least 4″×4″ where more than one language is employed.

Section 20 (*h*).—

9. (1) Any person taking a sample of milk for the purposes of this Regulation may add a preservative for the purpose of retaining the sample in a condition convenient for analytical purposes.

(2) The preservative used shall be the liquid commonly known as "formalin" which is a liquid containing about 40 per cent of formaldehyde in aqueous solution.

(3) The amount of preservative added shall be approximately in proportion of one drop of formalin for every 2 oz. of the sample of milk.

(4) Each sample of milk to which formalin has been added by the person taking the sample shall bear a notification on the label to the effect that it has been "artificially preserved."

(5) For the purposes of this rule, milk includes skimmed and separated milk.

10. *Penalty for breach of Rules.*—Every manufacturer or dealer or vendor who—(*a*) disobeys, fails to comply with or acts in contravention of the provisions made under Rule 4 herein, in respect of cleanliness of vessels, receptacles or utensils used for manufacturing, preparing or containing any food intended for sale, or (*b*) neglects to affix labels to notify in the manner prescribed, the fact of the admixture of foreign ingredients in the case of adulterated articles of food or abstraction of any component

part therefrom of any article of food, or (*c*) fails to give the purchaser, in cases mentioned in Rule 5, information contained in such labels by word of mouth at the time of purchase, or (*d*) manufactures, deals in or sells milk, cream, butter or ghee below the standard prescribed in Rule 6 above shall, on conviction before a magistrate, be punished with a fine not exceeding Rs. 50 and with a fine which may extend to Rs. 50 for every subsequent offence.

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PART IV.

Legislative Measures and Rules thereunder.

NOTIFICATIONS.

No. T. 782—*R. T.* 5-38-5, *dated Bangalore, 6th September* 1938.

In exercise of the powers conferred on them by Section 3 of the Mysore Highway Act, IV of 1920, the Government of His Highness the Maharaja are pleased to issue the following rule, the draft in the said behalf having been published with Notification No. T. 486—R. T. 5-38-3, dated 9th August 1938 at page 210, Part IV of the *Mysore Gazette*, dated 18th August 1938.

RULE.

The maximum quantity of timber to be transported on a bullock cart on the Mysore—Manantody main road shall not exceed 30 to 35 cubic feet.

No. T. 770—*R. T.* 10-37-58, *dated Bangalore, 6th September* 1938.

In exercise of the powers conferred on them by Section 11 of the Mysore Motor Vehicles Act, 1928 and Section 33 of the Mysore Road Traffic and Taxes Act VI, 1935, the Government of His Highness the Maharaja are pleased to issue the following rules, the draft in the said behalf having been published with Notification No. T. 361—R. T. 10-37-54, dated 27th July 1938 at page 194, Part IV of the *Mysore Gazette*, dated 4th August 1938.

RULES.

Add the following as Rule 18 (1) (c) to the Mysore Motor Vehicles Rules, 1924, as amended from time to time :—

"18 (1) (c). A driver of a motor bus shall, before being granted a license, produce a certificate from the Secretary, St. John's Ambulance Association, to the effect that he has successfully undergone a course of training in First Aid."

Add the following as Rule 41 (ii) (*a*) to the rules regarding Public Service Motor Vehicles as amended from time to time :—

"41 (ii) (*a*). No person shall be granted by the District Magistrate a written authority to act as a conductor of a motor bus unless he produces a certificate from the Secretary, St. John's Ambulance Association to the effect that he has successfully undergone a course of training in First Aid."

By Order,

M. VENKATESA IYENGAR,

Secretary to Government,
General Department.

D. 1633—*P. & T.* 25-36-5, *dated Bangalore, 6th September* 1938.

In exercise of the powers vested in them under Section 1 (3) of the Act for the Regulation of Wireless Telegraphy in Mysore (Act IV of 1937), the Government of His Highness the Maharaja are pleased to direct that the Act shall come into force from 1st October 1938.

No. D. 1643—*P. & T.* 25-36-6, *dated Bangalore, 6th September* 1938.

In exercise of the powers vested in them under Section 13 (i) of the Mysore Wireless Telegraphy Act IV of 1937, the Government of His Highness the Maharaja of Mysore are pleased to issue the following rules, and direct that they shall come into force from 1st October 1938.

By Order,

M. VENKATANARANAPPA,

Secretary to Government,
Development Department.

THE MYSORE WIRELESS TELEGRAPHY RULES.

1. (i) These rules may be called 'The Mysore Wireless Telegraphy' Rules.

(ii) They shall come into force with effect from 1st October 1938.

2. In these rules, unless there is anything repugnant in the subject or context,

(*a*) The 'Act' means the Act IV of 1937 for the Regulation of Wireless Telegraphy in Mysore.

(*b*) A 'Wireless receiving station' means a station which is capable of receiving speech but not capable of transmitting.

(c) 'Fixed non-commercial station' means a station established on land for purposes of transmission and reception of speech for research, experiment or instruction.

(d) 'Complete Wireless Set' means any apparatus which is capable in itself of transmitting or receiving wireless signals with or without the addition of aerials, valves, power supply, telephones, loud speakers or equivalent devices.

(e) 'Dealer' means any person who deals in or manufactures for gain wireless telegraphy apparatus as defined in the Mysore Wireless Telegraphy Act of 1937.

(f) 'Licensing authority' means the authority constituted under section 5 (1) of the Act.

(g) A 'Commercial Broadcast Receiver' means and includes wireless receivers and apparatus used for purpose of reproducing broadcast programmes in business premises to which the public have access.

3. (i) No license is required under these rules to establish, maintain and work a wireless receiving station or fixed non-commercial station or to possess a wireless telegraph apparatus when owned or worked by His Highness the Maharaja of Mysore or the Government of Mysore.

(ii) Subject to the provisions contained in these rules, every person other than a dealer is exempted from the requirement of holding a license to possess wireless telegraphy apparatus in respect of—

(a) such apparatus as is reasonably required for the purpose specified in a current license issued to him under rule 5 (a) or (b);

(b) wireless telegraphy apparatus other than complete wireless sets.

4. Application for a license—

(a) to establish, maintain and work a wireless receiving station shall be made in Form No. I and in accordance with the instructions contained therein;

(b) to establish, maintain and work a fixed non-commercial station, shall be made in Form No. II and in accordance with the instructions contained therein;

(c) to possess wireless telegraphy apparatus shall be made in Form No. III and in accordance with the instructions contained therein;

(*d*) application for a license for working Commercial Broadcast Receivers in the rooms of business premises to which the public have access shall be made in Form IIIA and in accordance with the conditions contained therein;

(*e*) application for a license to demonstrate wireless receiving apparatus shall be made in Form III B and in accordance with the conditions contained therein

5. Licenses shall be issued—

(*a*) to establish, maintain and work a wireless receiving station in Form No. IV and subject to the conditions contained therein;

(*b*) to establish, maintain and work a fixed non-commercial station in Form No. V and subject to the conditions contained therein;

(*c*) to persons other than dealers in Form No. VI, and to dealers in Form No. VII, for possession of wireless telegraphy apparatus;

(*d*) for working Commercial Broadcast Receivers in Form No. VIII;

(*e*) for demonstration of wireless receiving apparatus in Form No. IX.

6. A fee of Rs. 10 shall be payable for every license except for Commercial Broadcast Receivers and demonstrations of wireless receiving apparatus issued under these rules and for subsequent renewals.

In the case of licenses for Commercial Broadcast Receivers and demonstration of wireless receiving apparatus, the fee will be Rs. 25 and Rs. 5 respectively. The fee for the renewal of the former will be Rs. 25 when the license is renewed on or before the date of expiry, and Rs. 25 if renewed after the date of expiry.

Exception:—No fee will be levied in respect of apparatus used for research, experimental and educational purposes, by educational and other institutions recognised by Government.

7. Licenses shall be valid for a period of 12 calendar months beginning from the first day of the month of issue.

8. Licenses issued under these rules are not transferable.

9. No refund shall be granted of any fees paid under these rules.

10. The licensing authority may cancel any license issued under these rules to any person who has been

convicted of a breach of these rules or of an offence punishable under sections 7, 8 or 9 of the Act.

11. Where the licensing authority is satisfied that a license granted under these rules has been lost or accidentally destroyed, he may grant a duplicate or substitute license on payment of a fee of rupees two.

12. (*a*) Every person licensed under these rules for establishing, maintaining and working a wireless receiving set shall use the same only for reception and for purposes other than public or private correspondence, *i.e.*, experiment, instruction and use by amateurs.

(*b*) It shall not be used for business purposes except by dealers who are in possession of a license issued under these rules to possess wireless telegraphy apparatus.

13. (*a*) Every person licensed under these rules shall keep the wireless telegraphy apparatus possessed by him at the premises specified in that behalf in the license.

(*b*) A license issued under these rules for possession of wireless telegraphy apparatus shall ordinarily authorise the licensee to keep wireless telegraphy apparatus in one building only, provided that the licensing authority may at his discretion permit the licensee to keep the apparatus in two or more buildings.

(*c*) The licensing authority may, during the currency of a license, alter the specification of the premises specified therein on receipt of a written application from the licensee together with the license for amendment.

14. Every dealer shall maintain a register of wireless telegraphy apparatus and shall cause to be entered therein—

(*a*) the details of all such apparatus in his possession together with the dates on which the apparatus came into his possession and the sources from which he obtained it;

(*b*) the name and address of every person to whom he sells or otherwise transfers wireless telegraphy apparatus together with the date and particulars of such apparatus;

(*c*) In the case of complete wireless sets, the details, save where proviso to rule 15 is applicable, of the license specified in that rule.

15. Every dealer shall require every person purchasing or acquiring a complete wireless set to produce a

valid license issued in such person's name either under these rules to establish, maintain and work a wireless receiving station, or a fixed non-commercial station, or, to possess wireless telegraphy apparatus.

Provided that this rule shall not apply—

(a) when the person purchasing or acquiring a complete wireless set is not resident in Mysore State and is purchasing or acquiring the set for use outside Mysore State;

(b) up to and including 1st October 1938 when the person purchasing or acquiring a complete wireless set is a dealer who declares that he has applied to the licensing authority for a license to possess wireless telegraphy apparatus and has not received the license.

16. (*a*) The licensing authority, may, by order in writing appoint Inspectors and Inspecting Officers under these rules.

(*b*) Such Inspector or Inspecting Officer may inspect any wireless telegraphy apparatus in possession of any person who is licensed or exempted under these rules.

(*c*) On demand from such Inspector or Inspecting Officer every person licensed under these rules shall produce his license for inspection and such person shall to the best of his knowledge, and if so required by an Inspector or Inspecting Officer, give particulars regarding the name and address of any person to whom he may have transferred any wireless telegraphy apparatus.

(*d*) On demand from such Inspector or Inspecting Officer every dealer shall produce the register required under rule 14 of these rules and shall permit the Inspector or Inspecting Officer to make extracts therefrom.

17. The Director of Industries and Commerce in Mysore, Bangalore, shall be the authority to issue licenses under these rules.

18. Any breach of the rules other than a breach which is an offence punishable under sections 7, 8 or 9 of the Act shall be punishable with fine, which may extend to one hundred rupees.

19. No prosecution will be instituted under the Act or the rules framed thereunder, until the expiration of 15 days next after the issue of a notice to the party concerned.

FORM I.

Application for a License to Establish a Wireless Receiving Station.

(*Broadcast Receiver.*)

NOTE.—The application should be forwarded to the Director of Industries and Commerce in Mysore, Bangalore, and must be accompanied by a receipt from one of the Mysore Government treasuries for Rs. 10 and in the case of applications for renewal, by the expired or expiring license also.

I .....

(Name in full)

of .....

(Address in full)

Apply for* { a license..... / renewal of license Registered No..... } for a wireless receiving

Station at † .....

(Location of the Station)

.....

Date..... .....*193* . *Signature.*

(To be filled in by the Issuing Officer.)

REGISTERED No. OF LICENSE ISSUED .....

In case of renewal.

Registered No. of Expired License .....

.....

Director of Industries and Commerce.

* Strike out the words not required.

† Here insert the address at which the receiving station will be erected or in the case of a receiving set in a motor car, the registration number of the car, or in the case of a portable set, area over which it is desired to move the set.

FORM II.

Act for Regulation of Wireless Telegraphy in Mysore.

(Act IV of 1937.)

Application for a license to establish, work and maintain a Wireless Telegraph Station in Mysore State.

(NON-COMMERCIAL FIXED STATION).

1. Name of applicant (In block capitals). Address ... ... Age ... ... Occupation ... ... Nationality (Evidence of nationality and two written references as to character should be enclosed).	
2. Scientific qualifications (if any) of applicant. Particulars of any experience in working Wireless Telegraph Transmitting Apparatus. Speed at which applicant can send and receive in the Morse Code.	
3. Purpose for which a license is required.	
4. Particulars of apparatus to be used. The trade name of the set in the case of a standard set bearing a recognised Trade name (Diagrams to be furnished and attached to this form unless a standard set bearing a recognised trade name is to be employed). (a) Transmitting ... (b) Receiving ... ... (c) Antenna (including sketch and dimensions and means of support).	... ...
5. Power to be used for transmission (A) (a) Source ... ... (b) Point where measured ... (c) Volts .... Amperes. (d) D/C or A/C ... (e) Cycle per second (A/C) ... (f) Maximum watts to be taken by transmitting instruments.	

6. Particulars of stations—

Name

Exact location (a) Type (b) Class (b) Remarks

NOTE:—(If a station is moveable, state place in which it will normally be located and area over which it is desired to move.)

7.	Wavelengths it is desired to use	Transmitting Receiving
8.	Range of waves over which apparatus is capable of being adjusted.	Transmittiug Receiving
9.	Station with which it is desired to communicate.	
10.	What message from Government stations it it desired to read and make use of.	
11.	Hours of working desired ...	Transmitting Receiving
12.	Names, addresses and qualifications of operators with particulars of their certificates of competency.	

DECLARATION.

I undertake to observe the conditions of the license and hereby certify that the apparatus herein described can and will be worked in accordance with the provisions of the license. I further declare that the apparatus is licensed for the transmission of messages, only operators holding approved certificates of competency shall be employed to work the transmitting apparatus.

Place.....

Signature of the Applicant.

Date.....

FORM No. III.

Act for the Regulation of Wireless Telegraphy in Mysore.

Application for a license to possess Wireless Telegraphy in Mysore.

INSTRUCTIONS:—The application form should be forwarded to the Director of Industries and Commerce in Mysore, Bangalore, accompanied by a receipt from one of the Mysore Government treasuries for Rs. 10 and in the case of application for renewal, by the expired or expiring license also.

I .....

(Name in full in English Block Capitals).

of .....

(Address in full)

apply for a license to possess Wireless Telegraphy Apparatus in Mysore State valid from the 1st day of..... 193/date of expiry of my license No. ..... dated..... at .....

(Premises at which apparatus is to be kept).

I hereby declare that I $\frac{\text{am}}{\text{am not}}$ a dealer in or manufacturer of Wireless Telegraphy Apparatus.

Dated.....193 . *Signature.*

FORM III A

Act for the Regulation of Wireless Telegraphy in Mysore.

APPLICATION FOR A LICENSE TO ESTABLISH, MAINTAIN AND WORK WIRELESS RECEIVING STATION (COMMERCIAL BROADCAST RECEIVER).

Instructions.—The application form should be forwarded to the Director of Industries and Commerce in Mysore, Bangalore, accompanied by a receipt from one of the Mysore Government treasuries for Rs. 25 in case of the first application and Rs. 20 in case of renewals, if the licenses are renewed on or before the date of expiry in the case of application for renewal by the expired or expiring also.

I.....

(Name in full in English Block Capitals) of .....

.....(address in full) apply for a license to establish, maintain and work a Wireless Receiving Station at the above premises comprising of apparatus suitable for reception of not more than

..... broadcast programmes at one time together with..... loudspeakers.

Dated.....

Signature.

Place.....

FORM No. III B.

Act for the Regulation of Wireless Telegraphy in Mysore.

APPLICATION FOR A LICENSE TO DEMONSTRATE WIRELESS RECEIVING APPARATUS.

Instructions.—The application form should be forwarded to the Director of Industries and Commerce in Mysore, Bangalore, accompanied by a receipt from one of the Mysore Government treasuries for Rs. 5 and in the case of renewal by the expired or expiring license also.

I.....
(Name in full in English Block Capitals) of.....
(address in full) apply for a license to establish, maintain or work wireless receiving apparatus for demonstration purposes in the Mysore State at the above address or within.....
(area to be specified).

I hereby declare that I am a dealer or manufacturer in Wireless Telegraphy Apparatus.

Date.....

Signature.

Place.....

FORM IV.

Form of Broadcast Receiver License.

(*The Conditions are printed at foot of the Form*).

Registered No.....

Act for Regulation of Wireless Telegraphy in Mysore.
(Act IV of 1937).

(LICENSE TO ESTABLISH A WIRELESS RECEIVING STATION.)

(*Broadcast Receiver.*)

Mr.....
(Name in full)
of.....
(Address in full)
is hereby authorised (subject in all respects to the conditions set forth below) to erect and work a Wireless Station for the purpose of receiving messages at.....
.....
(Location of the Station).....

for a period ending on the last day of the month of.....193.....
The payment of the license fee of Rs. 10 is hereby acknowledged.

.....

Issued on behalf of the
Government of H. H. the
Maharaja of Mysore.

BANGALORE.
Dated.....*193* .

Director of Industries and Commerce.

.....

.....

Conditions of Broadcast Receiver License.

1. The Licensee shall not permit the station to be used for any purpose other than that of receiving messages.

2. The station shall not be used in such a manner as to cause interference with the working of other stations. In particular, reaction must not be used to such an extent as to energize any neighbouring aerial.

3. An aerial wherever possible will be located at a fairly reasonable distance from the Power Lights, Telegraph or Telephone Lines. Wherever it crosses over or is liable to fall or to be blown up on any telegraph or telephone line or overhead power wire (including electric lighting and power and tramway wires) it must be guarded to the reasonable satisfaction of the owner of the power line or lines concerned so as to prevent any damage being done in the event of a break occurring.

4. The licensee shall not divulge or allow to be divulged to any person (other than the duly authorised officer of the Government of His Highness the Maharaja of Mysore or a competent legal tribunal) or make any use whatsoever or any message received by means of the licensed station other than time signals, musical or other programmes and messages transmitted for general reception.

5. The station shall be open to inspection at all reasonable times by any officer duly authorised by the Government of His Highness the Maharaja of Mysore in this behalf. At the request of such authorised officer this license shall be produced for inspection.

6. This license may be cancelled by the officer authorised in this behalf by the Government of His Highness the Maharaja of Mysore at any time either by specific notice in writing sent by registered post to the licensee at the address shown hereon, or by means of a notice, published in the *Mysore Gazette*, addressed to all holders of wireless receiving licenses, and will be cancelled on the breach of any of the foregoing conditions. In the event of cancellation, no part of the fee will be returned.

7. Any change of address must be promptly communicated to the Issuing Authority appointed by Government in this behalf and the license returned in order that the necessary amendments may be made thereon.

8. The location of the station may be altered temporarily at the discretion of the licensee, but if it is intended that the station shall leave the original location, for a period exceeding one month, the

licensee must inform the Issuing Authority appointed by Government in this behalf and return this license for endorsement.

9. If it is desired to continue to maintain the station after the date of expiration, this license must be renewed *within fourteen days.*

10. The licensee shall not assign, underlet or otherwise dispose of this license to any other person or body.

11. The licensee shall at all times indemnify the officer appointed by the Government of His Highness the Maharaja of Mysore in this behalf against all actions, claims and demands which may be brought or made by any corporation, company or person in respect of any injury arising from any act licensed or permitted in this license.

12. Notwithstanding anything contained in clause 4, the licensee or any other person either on behalf or by permission of the licensee or with the cognizance of the licensee shall not reproduce or publish in the press or disseminate by other similar means, messages sent for general reception by any station and received by means of the stations.

FORM V.

License to establish, maintain and work Wireless Telegraphy in the Mysore State.

NON-COMMERCIAL FIXED STATIONS.

Registered No. .....

Act for Regulation of Wireless Telegraphy in Mysore, (Act IV of 1937).

Mr. .....

(Name in full)

.....

(Address in full)

is hereby authorised (subject in all respects to the conditions set forth below and to the specifications found in the appended schedule to establish, maintain and work a Wireless Station at..... for the purpose of transmitting and receiving for research, experiment or instruction, for a period ending on the last day of the month of .....193 .

The payment of the license fee of Rs. 10 is hereby acknowledged.

Register No. of Expired license.....

dated.....day of.....193 .

Issued on behalf of the Government of His Highness the Maharaja of Mysore.

Director of Industries and Commerce in Mysore, Bangalore.

Conditions of the License.

1. The licensee is hereby permitted :—

(*a*) To establish, maintain and work apparatus for wireless telegraphs (hereinafter called the licensed apparatus) at the place specified in the Schedule.

(*b*) To transmit and receive such messages by means of the licensed apparatus as are specified in the Schedule provided that,

(i) the licensed apparatus shall not be used for transmitting indecent or obscene communications or false or misleading calls or signals ;

(ii) the transmission and reception of such messages shall be subject to such conditions and regulations as may be prescribed by the Government from time to time ;

(iii) the licensed apparatus shall only be used for the transmission or reception of messages in connection with instruction or experiment in wireless telegraphs or for the reception of the messages sent for general reception ;

(iv) the licensed apparatus shall not be employed for the transmission of news, advertisements or messages sent for general reception or for any form of broadcast matter or for the transmission of general calls.

(*c*) No money or other valuable consideration shall be received by the licensee or by any other person with the authority or by permission of the licensee or with the cognizance of the licensee, for, or in respect of, the use of the licensed apparatus, or, for, or in respect of, the transmission or reception of messages, by means of the licensed apparatus.

2. (i) The licensed apparatus shall :—

(*a*) be of the character specified in the schedule and the waves emitted shall be as pure and as little damped as possible and the licensed apparatus employed for reception shall afford the greatest possible protection from disturbance during the reception of signals and the licensed apparatus employed for reception shall be used in such a manner as to cause no interference with other stations.

(*b*) be capable of using the wavelengths specified in the schedule and such other wavelengths as shall be authorised by the Government, in writing, from time to time and the licensed apparatus employed for transmission shall invariably be tuned accurately to the authorised wavelengths ;

(*c*) be so constructed that, when employed to radiate waves, these shall only be propogated by valves or other apparatus generating pure continuous waves ;

(*d*) be kept in a clean and sanitary condition ;

(*e*) be so arranged that all lights emanating therefrom shall be screened in such a manner as may be necessary to ensure the reasonable comfort and health of the certified operators and others employed in working the licensed apparatus ;

(*f*) be worked so as not to interfere with the working of the other fixed stations.

(ii) Nothing contained herein shall be deemed to relieve the licensee of any responsibility for any infringement of patent rights which may be incurred by the use of the licensed apparatus.

3. Except with the consent in writing of the Director of Industries and Commerce (hereinafter called the Director) the licensed apparatus shall not be used for any purpose whatsoever or for the transmission or reception of messages other than the purpose or messages authorised by this license or for communicating with any stations other than those specified in the Schedule.

4. The Licensee shall:—

(*a*) Observe the provisions of the Radio Telegraph Convention and the International Telegraph Convention and the International Telegraph Regulations so far as the said Conventions and Regulations are capable of being applied to wireless telegraphs.

(*b*) Comply with such directions and regulations as may be given or made by the Director from time to time.

(*c*) Provide for the working of the station such certified operators as are required by the Rules in force in British India in working similar stations.

(*d*) Provide against the disturbance of the receiving apparatus of any fixed stations by electro-magnetic waves of any frequency or by conduction currents emitted from the licensed apparatus and against interference with power telegraph, telephone lines or cables in which high potential currents might be induced by means of the licensed apparatus. For the purpose of this provision the term disturbance is defined as the production of appreciable electrical effects in a syntonised receiver other than the receiver of the licensed apparatus adjusted as a whole to a wave length different from that of the transmitter of the licensed apparatus.

(*e*) Keep a record at the station of every transmission showing the date and time (Indian Standard Time) of such transmission and the system and wave length employed.

(*f*) Keep at the station this license or a certified copy of this license and also such documents as are specified in the Schedule.

(*g*) Indemnify the Government against all actions, claims and demands which may be brought or made by any person body corporate or company in respect of any injury arising from any act licensed or permitted by this license.

(*h*) Pay to the Director during the continuance of the license hereby granted a license fee of rupees ten per annum in respect of each station at which the licensed apparatus is installed. The said fee shall be payable before the issue of the license and within fourteen days of the expiry of the license in case a renewal is desired.

(*i*) Ensure that if the station is one in which the licensed apparatus is not permitted to be used with an antenna the station will not radiate waves and that the effects of conducted waves or earth currents of any frequency or nature emitted by the licensed apparatus shall not be appreciable on any power telegraph or telephone system. Provided however that spark systems of transmission may be used in non-commercial stations for experimental or instructional purposes if the other conditions of this sub-clause are observed.

5. The licensee shall provide that, when employed to radiate waves, the call sign of the transmitting station and that of the receiving

station, if any, shall be signalled or spoken in accordance with the following procedure :—

(*a*) When calling up another station the call sign of that station shall be signalled three times followed by the word from or the procedure signal D E and the call sign of the station which shall be signalled three times.

(*b*) When answering a call-up the call sign of the station to be answered shall be signalled three times followed by the word from or the procedure signal D E and the call sign of the station which shall be signalled once.

(*c*) When communication is established the call sign of the receiving station and that of the transmitting station separated by the word from or the procedure signal D E shall be signalled once only at the commencement and conclusion of every transmission.

6. (i) Except with the consent in writing of the Director or as specified herein the licensee shall not :—

(*a*) Divulge or allowed to be divulged to any person other than properly authorised officials of the Government or under orders of a competent legal tribunal or make any use of any message whatsoever received by means of the station other than a message sent for general reception whether such messages are transmitted by service signalling or by any system of wireless telegraphs established and maintained by or for the purposes of the Director or any department of the Government or by any licensee of the Government other than the licensee or otherwise.

(*b*) Permit the use of the licensed apparatus to interfere with service signalling.

(ii) Not withstanding anything contained in sub-clause (i) (a) of this clause the licensee or any other person either on behalf of or by permission of the licensee or with the cognisance of the licensee shall not reproduce or publish in the press or disseminate by other similar means messages sent for general reception by any station and received by means of the station.

7. When employed to radiate waves such certified operators as are required by the rules shall be in constant attendance at the licensed apparatus and a certified operator shall listen, in on suitably adjusted receiving apparatus for three minutes at intervals not exceeding 15 minutes in order that he may perceive if the licensed apparatus is causing interference to authorised wireless communication.

8. An aerial crossing above or which is liable to fall on or to be blown on to any power telegraph or telephone line must be guarded to the satisfaction of the owner or the owners of the line concerned so as to prevent any damage being done in the event of a break occurring in the aerial.

9. The Director or any agent authorised in that behalf in writing by him may at all reasonable times enter the station either solely or jointly with any other person or persons for the purpose of inspecting and may inspect, examine or test any apparatus fixed or being in the station and the method of working and uses of such apparatus. At the request of any such authorised officer this license shall be produced by the licensee or the person for the time being in charge of and authorised to work the station.

10. (i) If and whenever an emergency shall have arisen in which it is expedient that the Government shall have control over the transmission of messages by the licensed apparatus it shall be lawful for the Director or any agent authorised in writing in that behalf by him to cause the station or any part thereof to be taken possession of in the name and on behalf of the Government and to be used for the service of Government and subject thereto for such services as the Director may require and in that event the Director or his authorised agent may enter the station and take possession of and use the same as aforesaid.

(ii) The Director or his Authorised Agent may—

(*a*) instead of taking possession of the station as aforesaid direct and authorise such persons, as he may think fit, to assume the control of the transmission and reception of messages at the station either wholly or partly and in such manner as he may direct and such persons may accordingly enter the station and assume such control;

(*b*) direct that all or any class or classes of messages tendered for transmission or received at the station shall be handed over to an officer authorised by him;

(*c*) stop or delay the transmission, reception or delivery of any messages tendered for transmission or received at the station;

(*d*) require the licensee to obey all such directions with reference to the transmission or reception of messages at the station as the Director or his agent or any other person authorised by the Director may prescribe and the licensee shall obey and conform to all such directions.

(iii) The licensee shall be entitled to reasonable compensation to be fixed by a sole arbitrator nominated by the Government whose decision shall be final for any damage to the licensed apparatus arising in consequence of the exercise of the power conferred by this clause.

(iv) In the event of the licensee refusing to comply with the provisions of sub-clauses (i) and (ii) of this clause the Director may immediately thereupon cancel the license without the licensee being entitled to any compensation and without prejudice to any steps, the Government may think fit to take, to obtain possession of such licensed apparatus or to claim damages.

11. The Director may by notice in writing but without assigning any reason revoke and determine these presents at any time.

SCHEDULE

NON-COMMERCIAL

Fixed Station License Register No.

Dated.....193

1.	Name of Licensee	Mr
2.	Address of Licensee	.....
3.	Purpose for which station is required.	

4. STATION :—(a) Place at which the licensed apparatus may be established if moveable, place at which the licensed apparatus is normally located and area over which it may be moved.

(b) Official name

5. Call sign.

6. The Station is licensed for purpose of a (1) Station, Class ( )

7. ANTENNA—(a) Description

(b) Height Feet

(c) Horizontal length (above) Feet ground

(d) Method of support.

8. Details of licensed apparatus :—

(a) Transmitting

(b) Receiving.

9. Power—

(a) Source

(b) Point where measured

(c) Volts. amperes.

(d) D/C or A/C

(e) Cycles or second A/C.

(f) Maximum kilowatts to be taken by transmitting instruments.

10. WAVE LENGTHS :—

Normal Transmitting wave .....

Additional wave authorised .....

Range of wave over which apparatus is capable of transmitting. .....

Normal receiving wave .....

Additional wave authorised .....

Range of wave over which apparatus is capable of receiving. .....

11. The station is licensed to transmit to and receive from the following stations only :—

12. Hours during which station may work (Indian standard time)

(a) Transmitting.....hours to.....hours

(b) Receiving.....hours to.....hours

13. Certified operators

Name	Address	Qualification

4. List of documents to be kept at the station :— This license or a certificated copy of the license.

Director.

FORM VI.

Register No. .....

The Act for regulation of Wireless Telegraphy in Mysore.
(Act IV of 1937.)

LICENSE (NON-DEALER)

License (Non-dealer) to possess Wireless Telegraphy Apparatus in Mysore State.

Mr. .....
(Name in full)
of .....
(Address in full)

not being a dealer in, or manufacturer of Wireless Telegraphy Apparatus is hereby licensed (subject in all respects to the provisions of the Act and the rules thereunder) to possess Wireless Telegraphy Apparatus and to keep the apparatus at..... for a period of twelve months ending on the last day of the month of.....193 .

The payment of the license fee of Rs. 10 is hereby acknowledged.
Dated.....day of.....193 .

Director of Industries and Commerce.

ISSUED ON BEHALF OF THE GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

Note :—This license does not permit the licensed apparatus to be established maintained or worked for which a separate license is necessary under the rule.

FORM VII.

Register No. .....

Act for regulation of Wireless Telegraphy in Mysore
(Act IV of 1937.)

LICENSE (DEALER)

License (dealer) to possess Wireless Telegraphy Apparatus in Mysore State.

Mr. .....
(Name in full)

of ... .
(Address in full)

being a dealer in or manufacturer of Wireless Telegraphy Apparatus is hereby licensed (subject in all respects to the provisions of the Act and Rules thereunder) to possess Wireless Telegraphy Apparatus and to keep the apparatus at.....
for a period of twelve months ending on the last day of the month of .....193 .

The payment of the license fee of Rs. 10 is hereby acknowledged.

Director of Industries and Commerce.

Dated .....day of.....193 .

ISSUED ON BEHALF OF THE GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

This license does not permit the licensed apparatus to be established, maintained or worked in the Mysore State for which a separate license is necessary under the rules.

FORM VIII.

License No. *Not transferable.*

Act for the Regulation of Wireless Telegraphy in Mysore.
(Act IV of 1937.)

License to establish, maintain and work a Wireless Receiving Station (Commercial Broadcast Receiver).

Name.....

Description .....

Address.....
is hereby authorised (subject in all respects to the conditions annexed) to establish, maintain and work in the premises known as.....
.....
a Wireless Station comprising such apparatus as may be suitable for the reception of not more than.....
broadcast programmes at one time together with.....
loud speakers or similar devices connected thereto for purpose of

receiving broadcast wireless messages including musical and other programmes transmitted for general reception.

The payment of the license/renewal fee of Rs. ..... is hereby acknowledged.

This license expires on the last day of the month of..... 193... unless renewed (*vide* condition 9).

Issued on behalf of the Government of His Highness the Maharaja of Mysore. Dated.....day.....of 193.....

Director of Industries and Commerce in Mysore.

N.B.—See the following conditions carefully.

Conditions.

1. The licensee shall not permit the station to be used for any purpose other than that specified in the license.

2. The number of programmes received at one time by the station shall not exceed that specified in the license.

3. The station shall not be used in such a manner as to cause intereference with the working of other stations. In particular reaction must not be used to such an extent as to energise any neighbouring aerial.

4. An aerial which crosses over or is liable to fall or to be blown upon any telegraph or telephone line or overhead power wire (including electric lighting) must be guarded to the reasonable satisfaction of the owner of the power line or lines concerned so as to prevent any damage being done in the event of a break accruing.

5. The station shall be open to inspection at all reasonable times by any officer duly authorised by the Director of Industries and Commerce. At the request of such authorised officer this license shall be produced for inspection.

6. This license may be cancelled by the Director of Industries and Commerce at any time either by specific notice in writing sent by registered post to the licensee at the address shown hereon or by means of a notice published in the *Mysore Gazette* address to all holders of Wireless Receiving Licenses. In the event of cancellation no part of the fee will be refunded.

7. Any change of address of the licensee should be notified to the office of issue without delay and any change in the premises where the wireless apparatus or loud speakers are located will require the prior approval of the Director of Industries and Commerce. In making the application for such the license should be forwarded to the office of issue in order that it can be modified accordingly.

8. If it is desired to continue to maintain the station after the date of expiry this license must be renewed within 14 days. Heavy penalties are prescribed in the Act of 1937 to regulate Wireless Telegraphy in Mysore for the offences of establishing, maintaining or working a wireless station without a license and the possession of wireless apparatus without a license.

9. To obtain renewal, this license should be forwarded to the office of issue together with the chellan for having remitted to any of the Government Treasuries in the State. The fee for renewal will be

Rs. 5 less than that of the original license if payment is made on or before the date of expiry. For this purpose the date of money order or the date of remittance to the Treasury will be considered as the date of payment.

10. The licensee shall at all times indemnify the Government of His Highness the Maharaja of Mysore against all actions, claims and demands which may be brought or made by any Corporation, Company or person, in respect of any injury arising from any acts licensed or permitted in this license.

11. The licensee shall not divulge or allow to be divulged to any person (other than a duly authorised officer of the Government of His Highness the Maharaja of Mysore or a competent legal tribunal) or make any use whatever of any message received by means of the station other than time signals, musical or other programmes, and messages, transmitted for general reception.

12. Notwithstanding anything contained in condition 11 of this license, the licensee or any other person either on behalf or by permission of the licensee shall not reproduce, or publish in the press or disseminate by other similar means messages sent for general reception by any station and received by means of the station provided that the licensee may permit any person to listen to broadcast programmes received under the terms of this license.

13. This license does not authorise the licensee to do any acts which are (a) an infringement of any copyright which may exist in the matter received by the station or (b) contrary to any rule made by a competent authority regulating musical or other performance or noises in the area in which the Wireless Station is established.

FORM No. IX.

License No. ..... *Dated*.....

Act for the Regulation of Wireless Telegraphy in Mysore
Act. IV of 1937.

(License to demonstrate Wireless Receiving Apparatus).

Mr/Messrs.....
of .....
who is / are licensed under the Act of 1937 for the regulation of Wireless Telegraphy in Mysore, as a dealer in or manufacturer of wireless telegraphy apparatus is / are hereby licnesed to establish, maintain, and work wireless receiving apparatus for demonstration purposes in Mysore State for a period not exceeding twelve months ending on the last day of the month of.....193.. at the following address or within the area herein specified.....
subject to the condition herein contained and to the payment of a fee of Rs. 5 (Five).

This license is not transferable and it may not be assigned or underlet, or otherwise disposed of nor may any person be admitted to participate in its benefits except as provided in condition 2 on reverse hereof.

Any breach of the conditions will render this license liable to be revoked and cancelled and in the event of revoking and cancelling no part of any fee paid in respect of the current year will be refunded.

This licnese replaces that numbered.....dated..... and the latter document should be returned to the Director of Industries and Commerce in Mysore, for cancellation.

Issued on behalf of the Government of His Highness the Maharaja of Mysore.

Bangalore.....

Director of Industries and Commerce in Mysore.

Dated.....

Conditions.

1. This license covers the establishment, maintenance and working of one Wireless Receiving Set at a time for demonstration purpose and must accompany and remain with the apparatus wherever it is being demonstrated. It permits the demonstration of any number of sets provided only one is demonstrated at a time.

2. This license authorises the establishment, maintenanace and working of the licensed apparatus by and at the residence of a prospective purchaser thereof and must remain with the prospective purchaser thereof for the said period as he has possession of the licensed apparatus. In no circumstances may the license be utilised to cover the working of Wireless apparatus by a prospective customer for a period exceeding fifteen days at a time.

3. Notwithstanding anything contained in condition 1 above no further apparatus may be demonstrated by the licensee under this license whilst the license is in possession of a prospective purchaser.

4. The licensee shall not permit the apparatus to be used for the purpose of gain or for any purpose other than for *Bona Fide* demonstration of the reception of broadcast matter.

5. The Wireless apparatus shall not be used in such a manner as to cause interference with the working of other stations. In particular, reaction must not be used to such an extent as to energise any neighbouring aerial.

6. No aerial may be erected which crosses over or is liable to fall or to be blown upon any telegraph or telephone line or overhead power wire including electric lighting unless it be guarded to the reasonable satisfaction of the owner of the powerline or lines concerned so as to prevent any damage being done in the event of a break occurring.

7. The licnesee shall not divulge or allow to be divulged to any person other than a duly authorised officer of the Government of His Highness the Maharaja of Mysore or a competent legal tribunal or make any use whatsoever of any message received by means of the licnesed station other than time signals, musical or other programmes and message transmitted for general reception.

8. Notwithstanding anything contained in condition 7 above the licensee or any other person either on behalf or by permission of the licensee or with the cognizance of the licensee shall not reproducel or publish in the press or reproduce any messages sent for genera,

reception by any station and received by means of the licensee's apparatus.

9. The Licensee shall indemnify the Government of His Highness the Maharaja of Mysore against all actions, claims and demands which may be brought or made by any person, body corporate or company in respect of any injury arising from any acts licnesed or permitted by the license.

10. This license only permits the establishment, maintenanace or working of wireless apparatus in Mysore State and does not permit or authorise such apparatus to be established, maintained or worked outside the State.

11. The licensee must maintain a record of the places at which demonstrations of the licensed apparatus are given and on demand by any officer duly authorised by the Director of Industries and Commerce this record must be produced for inspection and the whereabouts of this license and the licensed apparatus must be furnished.

12. No permission is hereby conveyed to do any act which is (a) an infringement of the copyright which may exist in the Broadcast matter received or (b) contrary to any rule made by a competent authority regulating musical or other performances or noise in the area in which the apparatus is established.

No. L. 2068—Ml. 70-38-16, dated Bangalore, 7th September 1938.

In exercise of the powers vested in them unde Sections 20 (2) and 106 (2) (a) of the Minor Municipalities Act 1933, the Government of His Highness the Maharaja of Mysore are pleased to issue the accompanying rules for regulating the interpellation of the President by the Municipal Councillors on matters connected with the Municipal Administration.

By Order,

P. H. KRISHNA RAO,

Secretary to Government,
Local Self-Government Department.

RULES.

Subject to the conditions and restrictions contained in the following rules, any Councillor may ask questions on any matters connected with the Municipal Administration.

2. No member shall be allowed to send up more than two questions for any ordinary monthly meeting of the Council. No questions shall be permitted at Special or Adjourned meetings.

3. (i) No question shall be asked unless it complies with the following conditions, namely :—

(*a*) it shall be so framed as to be merely a request for information ;

(*b*) it shall not be of excessive length ;

(*c*) it shall not contain arguments, inferences, ironical expressions, or defamatory statements nor shall it refer to the conduct or character of persons except in their official or public capacity.

(*d*) it shall not ask for an expression of an opinion or the solution of hypothetical proposition ; and

(*e*) if a question contains a statement, the member asking it must make himself responsible for the accuracy of the statements.

(ii) (*a*) When any question is not framed in accordance with the above rule, the President may either himself amend it in such a way as to render it admissible and ask the member if he accepts the amendment or may cause it to be returned to the member concerned for the purpose of amendment ;

(*b*) if the member does not, within such time as the President may fix in this behalf, re-submit the question duly amended or intimate his acceptance of the President's amendment, the question shall be deemed to have been withdrawn.

4. The President may disallow any question giving reasons therefor.

5. No discussion in Council shall be permitted in respect of any order of the President under Rule 3 or under Rule 4.

6. The Councillor wishing to put any question shall send it at least seven clear days before the date fixed for the meeting to the President.

7. The President, may, if he thinks fit, allow a question in any case with shorter notice than seven clear days and may in any case, require a longer notice, if he thinks fit or extend, if necessary, the time for answering a question.

8. All questions which are allowed by the President shall be typed or cyclostyled and copies thereof shall be placed on the Council table at least half an hour before the meeting.

9. The President shall call the name of each interpellator and ask him to read out his question. After the question is read, the President will give the answer.

10. If a Councillor who has given notice of a question is absent at the time when the question is taken up, the President may direct that the question may be considered as withdrawn by the interpellator, unless any other Councillor present at the meeting reads it as his own, subject to the proviso contained in Rule 3 (e).

11. The interpellations shall be taken up before the ordinary business on the agenda commences.

12. Any Councillor may put a supplementary question for the purpose of further elucidating any matter regarding which an answer has been given. But the President shall disallow any supplementary question, if, in his opinion, it cannot be answered satisfactorily on the spur of the moment without referring to records.

13. No discussion shall be permitted in respect of an answer given to a question asked under these rules.

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NOTIFICATION. 490

Order No. P. 1322—*Legis.* 14-38-1, *dated Bangalore, the 5th September* 1938.

Ordered that the accompanying Emergency Act to amend the Paper Currency Act, 1919, which received the assent of His Highness the Maharaja, on the thirtieth day of August 1938, be published as Act XIX of 1938 in the Gazette for general information.

By Order,

M. VENKATESA IYENGAR,
Secretary to Government,
General Department.

EMERGENCY ACT.

No. XIX OF 1938.

(*Received the assent of His Highness the Maharaja on the Thirtieth day of August 1938.*)

An Act to amend the Mysore Paper Currency Act, 1919.

Whereas an emergency has arisen which makes it necessary to amend the Mysore Paper Currency Act, 1919; now therefore under Section 12 of the Mysore Legislative Council Act, 1923, it is hereby enacted as follows:—

1. (i) This Act may be called the Mysore Paper Currency (Amendment) Emergency Act, 1938.

(ii) It shall come into force at once.

2. In Section 2 of the Mysore Paper Currency Act, 1919, after the words "British India" the following shall be inserted, namely:—

"or a bank note issued by the Reserve Bank of India under the Reserve Bank of India Act, 1934, so long as such bank note is legal tender in British India."

MIRZA M. ISMAIL,
Dewan.

Price: 0-0-3.

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Regd. No. M.—1175.

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BANGALORE, THURSDAY, SEPTEMBER 30, 1937.

PART IV.

Legislative Measures and Rules thereunder.

NOTIFICATION.

No. G. 2787—*P. H.* 128-36-5, *dated Bangalore, the* 28*th September* 1937.

Under Section 20 of the Mysore Prevention of Adulteration Regulation, IX of 1921, as amended by Regulations IV of 1929 and IV of 1930, Government are pleased to make the rules issued with Government Notification No. G. 2463—San. 61-30-7, dated 22nd September 1931 (annexed hereto) applicable to the Nanjangud Town Municipality.

By Order,
P. H. KRISHNA RAO,
Secretary to Government,
Local Self-Government Department.

Rules under the Mysore Prevention of Adulteration Regulation.

1. In these rules, "Regulation" means the Mysore Prevention of Adulteration Regulation, IX of 1921.

"Section" means section of the above Regulation.

Section 3.—

2. The officer to whom the local executive officer may delegate his powers shall be of the rank of a Health Officer or shall hold the diploma of Public Health. No

legal proceedings under the Regulation shall be instituted without the permission in writing of the President or the Commissioner as the case may be.

Section 20 (*b*).—

3. The area within which the local executive officer of a Municipal Council shall exercise powers shall be the Municipal limits of the place.

Section 20 (*c*).—

4. *Cleanliness of Vessels.*—All vessels, receptacles or utensils used for manufacturing or preparing food or containing any food intended for sale shall be cleansed with clean boiling water before and after use and shall be kept in a constant state of cleanliness. In case of food likely to be acted upon by the metal of the vessels, receptacles or utensils in which the food is manufactured, prepared or contained for purposes of sale, precautions shall be taken to prevent such metallic contamination.

Section 20 (*d*).—

5. *How notice of Admixture, Addition or Deficiency shall be given.*—If the vendor of any article intended for food knows that it is admixed with any foreign substance whatsoever or that any component part has been abstracted therefrom, he shall give due notice of such admixture or abstraction by means of distinct and clear labels in Kannada or in any other language likely to be read and understood by the people, affixed conspicuously on each package or receptacle containing the article. Unless the vendor of any food containing an admixture, addition or deficiency, knows of his own knowledge, that the purchaser is able to read and understand the label, he shall give the purchaser the information contained in the label by word of mouth at the time of purchase.

Section 20 (*e*).—

6. The standards of purity prescribed for milk, cream, butter and ghee are as follows :—

Milk.—

Cow's Milk.—(1) Where a sample of cow's milk (not being sold as skimmed or separated milk), contains less than three per cent of milk-fat, it shall be presumed for

the purposes of this Regulation, until the contrary be proved, that the milk is not genuine, by reason of the abstraction therefrom of milk-fat or the addition thereto of water.

(2) When a sample of cow's milk or any skimmed or separated cow's milk contains less than 8·5 per cent of milk-solids other than milk-fat, it shall be presumed for the purposes of this Regulation, until the contrary be proved, that the milk is not genuine by reason of the addition thereto of water.

(3) When a sample of cow's milk, whether sold as cow's milk or as skimmed or separated cow's milk, contains less than 0·5 per cent of nitrogen, it shall be presumed for the purposes of this Regulation, until the contrary be proved, that the milk is not genuine by reason of the addition thereto of water.

Buffalo Milk.—(4) Where a sample of buffalo milk (not being sold as skimmed or separated milk), contains less than 4·5 per cent of milk-fat, it shall be presumed for the purposes of this Regulation, until the contrary be proved, that the milk is not genuine by reason of the abstraction therefrom of milk-fat or the addition thereto of water.

(5) Where a sample of buffalo milk, whether sold as buffalo milk, or as skimmed or separated buffalo milk, contains less than nine per cent of milk-solids other than milk-fat, it shall be presumed for the purposes of this Regulation, until the contrary be proved, that the sample is not genuine by reason of the addition thereto of water.

(6) Where a sample of buffalo milk, whether sold as buffalo milk or as skimmed or separated buffalo milk, contains less than 0·53 per cent of nitrogen, it shall be presumed for the purposes of this Regulation, until the contrary be proved, that the sample is not genuine, by reason of the addition thereto of water.

N. B.—The minimum limits for nitrogen prescribed above under (3) and (6) are intended to be used in those cases in which a sample of milk when it is analysed, is so far decomposed that an estimation of the proportion of milk-solids other than milk-fat in the sample before decomposition will be unreliable, the proportion of nitrogen not being appreciably affected by decomposition.

Unspecified Milk.—(7) Where a sample of milk, separated milk or skimmed milk, is sold or offered for sale or hawked about, without any indication as to whether it

is derived from the cow or the buffalo and by comparison with the minimum limits given for the cow's milk in the above, it appears to be adulterated, it shall be presumed for the purposes of this Regulation, until the contrary be proved, that the sample is not genuine for the reason given in the above rule or rules which are applicable.

Maximum limit for Dirt in Milk.—(8) Where a sample of milk, separated or skimmed milk, deposits, on standing for a period of 24 hours or less, an amount of visible sediment exceeding five parts per 100,000 (both milk and sediment being measured by volume), it shall be presumed for the purposes of this Regulation, until the contrary be proved, that the sample is not genuine by reason of its containing an excessive amount of dirt.

Cream.—(9) Where a sample of cream contains less than 20 per cent of milk-fat, it shall be presumed for the purposes of this Regulation, until the contrary be proved, that the sample is not genuine.

Butter.—(10) Where the proportion of water in a sample of butter exceeds 20 per cent, it shall be presumed for the purposes of this Regulation, until the contrary be proved, that the butter is not genuine by reason of the excessive amount of water therein.

Ghee.—(11) Where the proportion of water in a sample of ghee exceeds one per cent, it shall be presumed for the purposes of this Regulation, until the contrary be proved, that the ghee is not genuine by reason of the excessive amount of water therein.

Section 20 (*f*).—

7. (1) No person shall add water or any dried or condensed milk or any fluid reconstituted therefrom or any skimmed milk or separated milk to milk intended for sale, and no person shall, by himself or by any servant or agent, sell or offer for sale or hawk about, any milk to which any such addition has been made.

(2) No person shall abstract any ingredient from milk, without giving due notice of the same, in an unambiguous manner, of the fact of such abstraction therefrom, as prescribed in rules under Section 20 (*d*).

(3) No person either by himself or any servant or agent, shall sell or offer for sale or hawk about, as milk, any liquid in the making of which dried milk or condensed milk has been used or to which water or other diluent or

adulterant has been added or from which any ingredient has been abstracted, without due notice of the same to the purchaser as prescribed in rule under Section 20 (*d*).

Section 20 (*g*).—

8. Any receptacle containing dried, condensed, skimmed or separated milk shall be labelled with an adhesive label which shall contain the information and be of the size indicated below. The information shall be in black type, printed or written in the centre of the label, which shall be of white colour. Nothing else shall be printed or written on the label, except the name of the article. The label shall be clearly visible to the purchaser and shall measure at least 2″×4″ where only Kannada is used or at least 4″×4″ where more than one language is employed.

Section 20 (*h*).—

9. (1) Any person taking a sample of milk for the purposes of this Regulation may add a preservative for the purpose of retaining the sample in a condition convenient for analytical purposes.

(2) The preservative used shall be the liquid commonly known as "formalin" which is a liquid containing about 40 per cent of formaldehyde in aqueous solution.

(3) The amount of preservative added shall be approximately in proportion of one drop of formalin for every 2 oz. of the sample of milk.

(4) Each sample of milk to which formalin has been added by the person taking the sample shall bear a notification on the label to the effect that it has been "artificially preserved."

(5) For the purposes of this rule, milk includes skimmed and separated milk.

10. *Penalty for breach of Rules.*—Every manufacturer or dealer or vendor who—(*a*) disobeys, fails to comply with or acts in contravention of the provisions made under Rule 4 herein, in respect of cleanliness of vessels, receptacles or utensils used for manufacturing, preparing or containing any food intended for sale, or (*b*) neglects to affix labels to notify in the manner prescribed, the fact of the admixture of foreign ingredients in the case of adulterated articles of food or abstraction of any component

part therefrom of any article of food, or (*c*) fails to give the purchaser, in cases mentioned in Rule 5, information contained in such labels by word of mouth at the time of purchase, or (*d*) manufactures, deals in or sells milk, cream, butter or ghee below the standard prescribed in Rule 6 above shall, on conviction before a magistrate, be punished with a fine not exceeding Rs. 50 and with a fine which may extend to Rs. 50 for every subsequent offence.

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PART IV.

Legislative Measures and Rules thereunder.

NOTIFICATIONS.

No. T. 1140—R. T. 18-37-1, dated Bangalore, 29—30th September 1937.

The following draft of a rule which the Government propose to make is published under Section 11 of the Mysore Motor Vehicles Regulation, 1928 and sections 5, 23 and 33 of the Mysore Road Traffic and Taxes Regulation VI of 1935, for the information of persons likely to be affected thereby. Any suggestions or objections in respect of the said draft received on or before the 15th October 1937 will be considered by Government.

Draft Rule.

After Rule 4 of the Rules relating to Public Service Motor Vehicles Rules notified with notification No. P. 3992—Legis. 46-35-17, dated 18th December 1935, as amended from time to time, the following rule shall be added as Rule 4 A.

"4 A. No permit to ply for hire in Mysore shall be granted to any motor bus or lorry which is more than five years old from the date of its original registration."

By Order,

M. VENKATESA IYENGAR,

Secretary to Government,
General Department.

No. 1459—L. C. Bangalore, dated 29th September 1937.

Under Standing Order No. 49 of the standing orders for the conduct of business of the Mysore Legislative Council, the following Report of the Select Committee on the Bill to amend the Mysore Town Municipalities Regulation, 1933, is published for general information.

By Order,

A. SUNDARARAJA RAO,
Secretary,
Mysore Legislative Council.

Report of the Select Committee on the Bill to amend the Mysore Town Municipalities Regulation, 1933.

We, the undersigned Members of the Select Committee to which the Bill to amend the Mysore Town Municipalities Regulation, 1933, was referred, have considered the Bill and have now the honour to submit this our Report.

2. We consider that no changes are necessary.

3. As the only change recommended is verbal, the Bill need not be re-published.

(Sd.) B. T. Kesaviengar.
" H. V. Ramasvami.
" M. Venkatanaranappa.
" Mirle N. Lakshminaranappa.
" G. Girimaji Rao.
" J. Mohammed Imam.
" M. L. Nagappa Setty.
" N. Madhava Rau (*Chairman*).

Dated 21st September 1937.

Mr. C. Hayavadana Rao was unable to be present at the meeting.

No. 1460—L. C. Bangalore, dated 29th September 1937.

Under Standing Order No. 49 of the standing orders for the conduct of business of the Mysore Legislative Council, the following Report of the Select Committee on the Bill further to amend the Code of Civil Procedure, 1911, is published for general information.

By Order,

A. SUNDARARAJA RAO,
Secretary,
Mysore Legislative Council.

Report of the Select Committee on the Bill further to amend the Code of Civil Procedure, 1911.

We, the Members of the Select Committee appointed to consider the Bill further to amend the Code of Civil Procedure, 1911, have considered the Bill and have no alterations to recommend.

(Sd.) S. P. Rajagopalachari. (*Chairman*).
,, B. T. Kesaviengar.
,, H. R. Guruv Reddy.
,, B. S. Puttuswami.
,, T. Ramachandra.
,, Mirle N. Lakshminaranappa.
,, S. G. Sastry.

Dated 25th September1937.

No. 1461—L. C. Bangalore, dated 29th September 1937.

Under Standing Order No. 49 of the standing orders for the conduct of business of the Mysore Legislative Council, the following Report of the Select Committee on the Bill to amend the Mysore Town Municipalities Regulation, 1933, is published for general information.

By Order,

A. SUNDARARAJA RAO,
Secretary,
Mysore Legislative Council

Report of the Select Committee on the Bill to amend the Mysore Town Municipalities Regulation, 1933.

We, the undersigned Members of the Select Committee to which the Bill to amend the Mysore Town Municipalities Regulation, 1933, was referred, have considered the Bill and have now the honour to submit this our Report.

2. Section 29-A.—After the words 'pay and' in clause (*c*) of this section, the words 'allowances and discipline and' may be added.

3. Section 209-B.—After the word 'power' in this section, the words 'of appointment' may be added.

4. As the changes are not material, the Bill need not be re-published.

(Sd.) B. T. Kesaviengar.
" H. V. Ramasvami.
" M. Venkatanaranappa.
" Mirle N. Lakshminaranappa.
" G. Girimaji Rao.
" J. Mohammed Imam.
" M. L. Nagappa Setty.
" N. Madhava Rau (*Chairman*).

Dated 21st September 1937.

Mr. C. Hayavadana Rao was unable to be present at the meeting.

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PART IV.

Legislative Measures and Rules thereunder.

NOTIFICATION.

No. R. 1672—*L. R.* 301-36-7, *dated Bangalore, the 7th October* 1937.

In virtue of the powers vested in them under Section 30 of the Mysore Debt Conciliation Regulation VI of 1937, the Government of His Highness the Maharaja are pleased to issue the following rules under the said Regulation, the draft rules in the said behalf having been published with Notification No. R. 911—L. R. 301-36-6, dated 24th August 1937, in pages 192 to 212 of Part IV of the *Mysore Gazette*, dated 26th August 1937.

By Order,
B. T. KESAVIENGAR,
Chief Secretary to Government.

The Mysore Debt Conciliation Regulation, 1937 (Regulation No. VI of 1937)—Rules under the Regulation.

1. These rules may be called the Mysore Debt Conciliation Rules, 1937.

2. In these Rules—

(*a*) "The Regulation" means the Mysore Debt Conciliation Regulation, 1937 (Regulation No. VI of 1937);

(*b*) "Board" means a Board established under the Regulation;

(*c*) "Deputy Commissioner" means the Deputy Commissioner of the District within whose jurisdiction the Board is established; and

(*d*) "Section" means a Section of the Regulation.

3. (1) The quorum necessary for the transaction of business at a meeting of the Board shall be two of whom one shall be the Chairman.

(2) The Chairman shall preside at every meeting of the Board and shall regulate the course of all business.

4. (1) If any member of a Board other than the Chairman is a party to, or personally interested in, any application before the Board, he shall withdraw from the Board during the hearing of such application and shall take no part in its determination.

(2) If the Chairman is a party to, or personally interested in, any application before the Board, the Chairman shall report such fact to the Revenue Commissioner through the Deputy Commissioner of the District, if there is only one Board in the District, or if there is more than one Board, to the Deputy Commissioner concerned, and the Revenue Commissioner or the Deputy Commissioner, as the case may be, shall transfer the application to another Board for disposal.

5. (1) The headquarters of a Board shall be the headquarters of the Officer who is its Chairman or if the Chairman is a non-official such place as may be fixed by the Revenue Commissioner.

(2) The Board shall ordinarily sit for the transaction of its business at its headquarters but may sit at such other place as may be fixed by its Chairman. The Chairman shall fix the time for each meeting. In fixing the place and time for meetings, the Chairman shall have regard to the convenience of the Board and of the parties.

(3) The Board may adjourn its proceedings as may be deemed desirable for the proper transaction of its business.

6. Application under Section 4, notices under Sections 8 and 10 and certificates under Section 19 (1) shall be in such of the forms in Appendix I to these rules as may be applicable.

7. Every application under the Act shall be presented at the office of the Board during office hours by the applicant in person or by an agent authorised by him in writing to the Chairman or during his absence to the person authorised by the Chairman to receive such application on his behalf.

8. If applications for the settlement of the debts of the same debtor are made to more than one Board, the Deputy Commissioner of the District, if the Boards are within a District and the Revenue Commissioner if they are in different Districts, shall call for the applications from the different Boards and decide which Board can most conveniently deal with all such applications and transfer for disposal by such Board all such applications presented to the other Boards.

Pending such decision by the Deputy Commissioner of the District or the Revenue Commissioner, as the case may be, no further proceedings shall be taken in respect of the applications by any of the Boards.

9. Every application under Section 4 shall be stamped with a Court Fee Stamp of the value of twelve annas.

10. The proceedings of the Board may be either in English or in Kannada, and in case they are in Kannada, an English translation should form part of the records.

11. In making an enquiry under the Act, the Board may examine orally any party, or any other person supposed to be acquainted with the matter under enquiry or any fact relevant thereto, and the Chairman shall reduce to writing the substance of such examination.

Such party or other person shall be bound to answer truly all questions relating to such matter or fact put to him by the Board other than questions the answers to which would expose him to a criminal charge or to a penalty or forfeiture.

12. The written statements filed by parties and the substance of the examination of parties and other persons, reduced to writing under Rule 11, shall form part of the record.

13. All certificates granted by the Board shall be signed by the Chairman and shall be dated and sealed with the seal of the Board.

14. A copy of the notice under sub-section (1) of Section 10 shall be served on each known creditor. A copy shall also be posted on the Notice Board of the Deputy Commissioner's Office, of the Taluk Office in each of the Taluks where the debtor has property and of the office of the Board.

A copy shall also be posted in a conspicuous place in the village where the debtor ordinarily resides and in each

of the villages in which any immovable property, in which the debtor has any saleable interest, is situated.

15. Every summons issued under the Regulation shall be in writing and shall require the person summoned to appear at a stated time and place and shall specify whether his attendance is required for the purpose of giving evidence, or to produce a document, or for both purposes, and particular document, the production of which is required, shall be precisely specified.

16. Any person summoned merely to produce a document shall be deemed to have complied with the summons, if he causes such document to be produced, without attending personally to produce the same.

17. (1) The service of summons under the Act on any person may be effected—

(*a*) by giving or tendering it to such person; or

(*b*) if such person is not found, by leaving it at his last known place of abode or business, or by giving or tendering it to some adult member of his family or his authorised agent; or

(*c*) if the address of such person is known to the Board, by sending it to him by post, registered; or

(*d*) if none of the means aforesaid is available, by affixing it in some conspicuous part of his last known place of abode or business.

(2) When the serving officer delivers or tenders a copy of the summons to the person concerned personally or to an agent or other person on his behalf, such officer shall require the person to whom the copy is delivered or tendered to sign an acknowledgment of service endorsed on the original summons.

(3) The serving officer shall, in all cases in which the summons has been served, add or cause to be added to the original summons an endorsement or annexure stating the date when, and the manner in which, the summons was served and the name and address of the person (if any) identifying the person served, or his place of abode or business and witnessing the delivery, posting or tender of the summons.

(4) All processes issued by the Board shall be served through the agency of the revenue establishment.

18. When the person whose evidence is required is unable, from sickness or infirmity, to attend before the Board issuing the summons, or is a person whom by

reason of rank or sex it may not be proper to summon, the Board issuing the summons may, of its own motion or on the application of the person whose evidence is required, dispense with his appearance, and order him to be examined by a person deputed by the Board for the purpose.

19. Where the person whose attendance is required is a Public Officer, or is the servant of a Railway Company or local authority, the officer issuing the summons may, if it appears that the summons may be most conveniently so served, send it by registered post prepaid for acknowledgment for service on the person whose attendance is required, to the head of the office in which he is employed together with a copy to be retained by that person.

20. (1) A party who desires the attendance of a witness either to give evidence or produce a document shall deposit with the Board:

(*a*) in Court-fees stamps, process fees in accordance with the scales prescribed in the Civil Rules of Practice and Circular Orders, and

(*b*) in cash, allowances for travelling to and attending at Court in accordance with the scales laid down in Rules 134 and 135 of the Civil Rules of Practice and Circular Orders.

(2) If the party required to make such deposits fails to do so within 15 days from the date of his application for the issue of process, such application shall be dismissed. But he may, within one month of such dismissal, apply to have the dismissal set aside and the Board may in its discretion restore the application and deal with it.

(3) When the Board causes the attendance of a witness of its own motion and not at the instance of a party, the Board shall pass such orders as it thinks fit as to the payment of expenses to the witness and as to the party or parties by whom such expenses are to be borne.

21. (1) The stamp duty on an agreement drawn up under sub-section (2) of Section 14 shall be paid by the debtor.

(2) The cost of registering the agreement shall be paid by the creditors who are parties to it, the amount payable by each creditor being proportionate to the compounded debt stated to be payable to him under the

agreement. If any creditor commits default in paying share of such cost, it shall be recoverable from him as an arrear of land revenue.

22. Every application for a copy shall be addressed to the Chairman. The rules regarding grant of certified copies in Land Revenue Rules 111 to 113 of the Land Revenue Rules as for the time being in force shall be followed in granting copies of the records maintained by a Board.

23. (1) The following Registers and books shall be maintained by a Board:—

(*a*) Register of applications.
(*b*) Register of certificates.
(*c*) (*i*) Process Register.
(*ii*) Nominal Roster of Process Servers.
(*d*) Diet-money register.
(*e*) Register of copy applications.
(*f*) Receipt book (in duplicate foils).
(*g*) Register of contingent expenditure.
(*h*) Cash Book.
(*i*) Remittance Register.

These registers and books shall be maintained in the forms prescribed in Appendix II to these rules.

(2) After the close of each official year, the registers and books specified in sub-rule (1), after the entries relating to pending cases have been transcribed into new registers and books, and the records relating to completed proceedings of cases shall be transferred:

(*a*) if the headquarters of the Board is at the District headquarters, to the office of the Deputy Commissioner and
(*b*) in other cases, to the office of the Revenue Sub-Divisional Officer within whose jurisdiction the headquarters of the Board is situated.

(3) The registers, books and records aforesaid shall be preserved for the periods specified below against each:—

(*a*) Registers and books—6 years.
(*b*) Records relating to cases—
(*i*) dismissed under Section 9—2 years.
(*ii*) dismissed under Section 17—2 years.
(*iii*) in which certificates have been granted under Section 19 (1)—20 years; and
(*iv*) which have resulted in an agreement—3 years after the date of payment of the last instalment.

24. Each Board shall submit through the Deputy Commissioner to the Revenue Commissioner, a monthly progress return in Form No. VI in Appendix I to these rules.

25. Each Board shall submit not later than the 1st August every year to the Deputy Commissioner for submission to the Revenue Commissioner an annual report on the working of the Act during the previous official year. Such report shall indicate :—

(*i*) Progress of work and results achieved ;
(*ii*) Difficulties experienced in working the Act ;
(*iii*) Amendments, if any, that appear to be necessary to the Act or the rules ; and
(*iv*) Such statistics or other information as may be prescribed, from time to time, by the Revenue Commissioner.

26. The Chairman or a member of the Board, if a non-official, shall be entitled to draw travelling allowance for any journey performed by him in connection with his duties as such Chairman or member at the following rates :—

Journey by rail	... One second class and one third class.
Journeys by road	... Annas four a mile.
Daily allowance for halts	... Rupees four.

The drawal of allowances will be regulated in accordance with the provisions contained in Part X of the Mysore Service Regulations.

27. The Chairman or a member of a Board, if an official, shall be entitled to draw for any journey, travelling allowance and halting allowance at rates to which he would be entitled by virtue of his official position.

28. The Deputy Commissioner shall be the controlling officer empowered to countersign the travelling allowance bills of the Chairman and members of a Board.

29. The Government may provide for each Board such ministerial and menial staff as it may from time to time require, and may regulate the conditions of their employment and fix the salaries and allowances payable to them.

30. In all administrative matters, the Board shall be subordinate to the Deputy Commissioner who shall be subject to the control of the Revenue Commissioner and the Government. The Deputy Commissioner shall

appoint, punish and generally control the staff of the Board but may, with the concurrence of the Revenue Commissioner, delegate to the Chairman of a Board such of his powers under this rule except that of appointment, as he may see fit. But the Chairman of the Board shall be competent to appoint and punish the menial establishment.

31. The Deputy Commissioner shall inspect the Board's records at least once a year, but he may inspect them more frequently if he sees fit to do so. He shall submit a report to the Revenue Commissioner on the results of such inspection, once a year.

32. In every case in which a debtor or a creditor is a minor or a person of unsound mind, the procedure laid down in Order XXXII of the First Schedule to the Code of Civil Procedure, 1911, shall be applied.

APPENDIX I.

(Referred to in Rules 6 and 24.)

FORM No. I.

Form of application to be made by a debtor under Section 4 (1) of the Mysore Debt Conciliation Regulation VI of 1937.

To

The Debt Conciliation Board,

.....Taluk,..... District.

Under Section 4(1) of the Mysore Debt Conciliation Regulation, VI of 1937, I..... ....., son of.....caste .....resident of.....Taluk, beg to apply for settlement of my debts.

2. The amount and particulars of all claims against me are as follows :—

Name, residence and full address of the creditor	Amount of debt	Particulars of debts including date of commencement, rate of interest, whether secured, and if so, how, etc.
1	2	3
Total ...		

3. I hereby declare, that I am unable to pay the debts owned by me as shown above, and that I have not made any application to any other Board.

4. The amount and particulars of my property including claims due to me are as follows :—

(1) Immovable property.—

Specification of property, with boundaries where necessary	Name of village with survey numbers owned	Description of field—raiyatwari, inam, estate raiyati, etc., with classification as wet, dry or garden	Extent and assessment or rent	Income derived	Market value	Details of any mortgage lien or charge subsisting thereon	Remarks
1	2	3	4	5	6	7	8
Lands ...							
Houses ...							

(2) Movables, including cash.—

Description, and the place where they are kept	Value	Details of any mortgage lien or charge subsisting thereon

(3) Claims due.—

Name and address of debtor	Amount due	Particulars of debts including date of commencement, rate of interest, whether secured and if so, how, etc.	Nature of the document evidencing the claim and in whose possession

....

Signature of the applicant.

Verified that the contents of paragraphs.....of the application are true upon the personal knowledge and of those in paragraphs ....upon information received and believed to be true by the undersigned,

....

Signature of the applicant.

FORM No. II.

Form of application to be made by a creditor, under Section 4 (2) of the Mysore Debt Conciliation Regulation, VI of 1937.

To

The Debt Conciliation Board,
..... Taluk, ...District.

Under Section 4 (2) of the Mysore Debt Conciliation Regulation, VI of 1937, I..... , son of ..... caste .... resident of, ... Taluk, beg to apply for the settlement of my claims against .... who is my debtor. I declare that I have not made any application to any other board in respect of these claims.

2. The particulars required by Section 6 of the Regulation are as follows :—

Name, residence and full address of the creditor	Name and full address of the debtor against whom the creditor has claims	The amount of claims due to the creditor	Particulars of the claims including the date of commencement, rate of interest, whether secured and if so, how
Total ...			

....
Signature of the applicant.

Verified that the contents of the application are true upon the personal knowledge of the undersigned.

.....
Signature of the applicant.

FORM No. III.

Form of Notice to Creditors of Debtor under Section 8 (2)/8 (3) of the Mysore Debt Conciliation Regulation, VI of 1937.

Notice is hereby given to ..... that an application under Section 4 (1)/4 (2) of the aforesaid Regulation has been submitted for the settlement of the debts of ..... and will be examined by the Board together with any objections that may be preferred by any person interested at ..... at..... o'clock on ..... the..... day of .... 193 .

Dated the ..... of .... 193 .

(Seal of the Board.) .....

Signature of the Chairman,

Debt Conciliation Board
Or
some other person authorized in this behalf.

District.

FORM No. IV.

Form of Notice under Section 10 (1) of the Mysore Debt Conciliation Regulation, VI of 1937.

Whereas .... son of ..... caste ... . of Taluk ..... debtor/creditor has submitted an application under Section 4 of the aforesaid Regulation for the settlement of the debts of .... son of ....., caste .... of Taluk.

Whereas the Board is of the opinion that it is desirable to attempt to effect a settlement between the said debtor and his creditors, you as one of the creditors/all the creditors to whom the said debtor is indebted are hereby required to submit to the Board a statement in writing on or before the ..... at the Board's office at ..... of all debts owed to you/them by the said debtor.

The Board will scrutinize this statement at 11 A.M. on ..... day ..... when you should appear before the Board.

2. You/All the creditors are also required to furnish along with such statement, full particulars of all such debts and shall at the same time produce all documents including entries in books of account on which you/they rely to support your/their claims together with a true copy of every such document.

Attention is invited to Section 10 (2) of the said Regulation under which every debt of which a statement is not submitted to the Board in compliance with this notice shall be deemed for all purposes, and all occasions, to have been duly discharged.

Attention is also invited to Section 11 (3) of the said Regulation under which if any document which is in your possession or under

your control is not produced by you, the document will not be admissible in evidence against the debtor in any suit brought by you or by any person claiming under you for the recovery of the debt.

The settlement in this case will take place at ..... at 11 A.M. on the .... day of ..... 193 when you should appear before the Board.

Dated the ..... day of ..... 193 .

(Seal of the Board.)

.....
Signature of the Chairman,
Debt Conciliation Board
or
some other person authorised
in this behalf.....District.

FORM No. V.

Form of certificate under Section 18 (2) of the Mysore Debt Conciliation Regulation VI of 1937.

This is to certify that during proceedings No. ..... of ..... under the Mysore Debt Conciliation Regulation VI of 1937, between (debtor) on the one hand and ..... of ... .(creditor) on the other hand, for the settlement of an alleged debt of Rs. ..... the said creditor has, in our opinion, refused a fair offer of settlement made by the said debtor, which the said creditor ought reasonably to have accepted.

2. The following particulars of the debt were furnished by the said creditor under Section 10 (1) of the Regulation.

(Here enter particulars).

Dated .... the ..... day of ..... 193 .

(Seal of the Board.)

.....
Signature of the Chairman,
Debt Conciliation Board,
District.

FORM No. VI.

(REFERRED TO IN RULE 24.)

Monthly progress return for the month ..... 193 of the Debt Conciliation Board ..... Taluk ..... District.

Cases pending at the beginning of the month		Cases registered during the month		Cases disposed of during the month											Cases pending at close of month		No. of certificates issued under Section 18 (1)			Number of days on which the Board sat during the month	Cases pending for six months and more with reasons for the pendency in each case
											Amount in agreement										
Number	Amount involved	Number	Amount involved	Number	Amount involved	Number	Amount	Amount due to those who agree	Amount in agreement	Number	Original	As compounded	Number	Amount	Number	Amount	Number of cases	Number of certificates	Amount due to creditor against whom certificate is granted		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22

APPENDIX II.

(Referred to in Rule 23.)

(a)

FORM OF REGISTER OF APPLICATIONS.

Serial Number	Date of application	Whether the application is by the debtor or by the creditor	Name and residence of the debtor	Names and residence of the creditor	Purport of the application	Number and date of order	How disposed of	
							Substance of order	Remarks
1	2	3	4	5	6	7	8	9

(b)

REGISTER OF CERTIFICATES.

Serial Number	Date	Name of debtor	Name of creditor or creditors	Number and date of proceedings in which certificate was granted

(c) (i)—PROCESS REGISTER.

General number of process service application with date	Number and year of the application	Nature of process	Number of		Witness batta, etc.		Initials of the Chief Ministerial Officer with date	Return of processes with unexpended batta		Date of refund to parties	Signature of payee
			Originals	Copies with copies of applications	Name of depositor	Amount		Date	Amount		
1	2	3	4	5	6	7	8	9	10	11	12
						Rs. a. p.			Rs. a. p.		

(c) (ii).

NOMINAL ROSTER OF PROCESS SERVERS.

Number of proceeding	Nature of process	Name of village	Distance in miles	Despatched (date)	Returnable (date)	Returned (date)	Batta for witness, etc.	Signature of process server	Unexpended batta, etc., refunded	Chief Ministerial Officer's initials.	Manner of service	Explanation of the process server for delay, if any
1	2	3	4	5	6	7	8	9	10	11	12	13

(d)

DIET MONEY REGISTER.

Date	Number of the case	Name of the party	Opening balance	Amount of deposit	Total of columns 4 and 5	Amount paid to witnesses	Amount refunded to parties	Signature or mark of witness or party	Total of columns 7 and 8	Closing balance, *i.e.*, difference between columns 6 and 10.	Initials of the head of the office	Remarks
1	2	3	4	5	6	7	8	9	10	11	12	13

(e)

Register of copy applications.

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
Petition Number	Date of receipt	Name and address of the applicant	Description of record copy of which is required	Number and value of court-fee stamps affixed to the application for search for the records	Orders of the head of office as to whether copies may be granted or not with date of order	Total number of words to be copied	Total number of "three-anna" stamp papers required at 175 words a paper or the amount of fees payable in cash	Date on which information of the (a) number of stamped papers required, or (b) the fee to be paid or (c) the postage labels required or (d) the search fee required was given to the applicant	(a) No. of stamped papers, or (b) amount of cash or (c) postage labels deposited, with the initials of the head ministerial officer and date	Name of copyist to whom they were handed over for copying and his initials in token of receipt	When copy was ready	Name of examiner and the date on which the copy was examined with his initials	When copy delivered or sent by post or destroyed	Signature of applicant when delivered in person	Signatures of the copyist and examiner in token of having received the fee paid in cash	Number of stamped papers copied and compared and number returned unused with initials of the head ministerial officer and date in each case	Remarks (here enter the month in which each item is billed for, with initials of the head ministerial officer and date)

(f)

RECEIPT BOOK.

In the Office of the Debt Conciliation Board of.....

Received this.....day of.. .....193... from.....

.....son of..... ..., the sum of Rs.....

being.....

Chairman.

(g)

REGISTER OF CONTINGENT EXPENDITURE.

Date	To whom paid. Appropriation for each head	Number of { Sub-vouchers / Contingent abstract	Sub-head and detailed account heads	Sub-head and detailed account head			Total of each contingent abstract	Total of each month's bill	Date of detailed bill	Date of admission with initials	Remarks
			Sub-divisions of sub-heads and detailed account heads as may be convenient. If the appropriation be not ordinarily allotted among the sub-divisions of a sub-head or detailed account head, they should be linked by a brace and the amount placed below. Each of these spaces represents a money column	Sub-divisions of sub-heads and detailed account heads	Description	Amount					
1	2	3	4	5	6		7	8	9	10	11
						Rs.a.p.					

(h)

CASH BOOK

Debt Conciliation Board of .....

Year.....

Dr. Cr.

Date	Folio in ledger	Heading of item	Details of item	Amount	Date	Folio in ledger	Heading of item	Details of item	Amount
1	2	3	4	5	6	7	8	9	10
				Rs. a. p.					Rs. a. p.

(i)

REMITTANCE REGISTER.

Challan.

No.

Debt Conciliation Board of.....

To

The Officer-in-charge
of the Treasury at.....

Received Rs.....from.....to the account.....of.....No..... ..of 193.....on the file of this Board.

Dated.....193.....

Initials of the Chairman
of the Board.

Challan.

No.

Debt Conciliation Board of.....

To

The Officer-in-charge
of the Treasury at..... ..

You are requested to receive the sum of Rs.....from ..... and credit the same to the account of.....No..... of 193... ..... on the file of this Board.

Dated.....193.....

.....

Signature of the Chairman
of the Board.

Challan.

No.

Treasury Office.

.....

Received this.....day of ..... and entered as No.....of..... in the register of Civil Court's Deposit of the sum of Rs .....from .....to the credit of the account of..... No.....of 193.....on the file of the Debt Conciliation Board of.....

Dated.....193.....

.....

Signature of the Officer-in-
charge of the Treasury.

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BANGALORE, THURSDAY, OCTOBER 28, 1937.

PART IV.

Legislative Measures and Rules thereunder.

NOTIFICATIONS.

No. 2327—L. C., Bangalore, dated 25th October 1937.

Under Standing Order No. 49 of the standing orders for the conduct of business of the Mysore Legislative Council, the following Report of the Select Committee on the Bill to amend the Mysore City Municipalities Regulation, 1933, is published for general information.

By Order,

A. SUNDARARAJA RAO,

Secretary,

Mysore Legislative Council.

Report of the Select Committee on the Bill to amend the Mysore City Municipalities Regulation, 1933.

We, the members of the Select Committee appointed to consider the Bill to amend the Mysore City Municipalities Regulation, 1933, have considered the Bill and have now the honor to submit this our Report.

Section 234-A.—It was suggested by some members that previous consultation of the Municipal Council concerned should be made before action is taken under this Section to appoint an officer. But it was considered by the majority of members that such a suggestion was not practicable.

Section 234-B.—We recommend that the words "of appointment" be added after the word "powers" so as to save the other powers of the Municipal Council under Sections 233 and 234.

We state that as the amendment is purely verbal no republication of the Bill is necessary.

(Sd.) N. Madhava Rau (*Chairman*).
,, Mirle N. Lakshminaranappa,
,, Mohammed Abbas Khan,
,, H. C. Dasappa (*subject to a note of dissent),
,, B. T. Kesaviengar,
,, P. Subbarama Chetty (*subject to a note of dissent),
,, M. Venkatanaranappa,
,, H. V. Ramasvami,
,, D. V. Gundappa (subject to a note of dissent).

*NOTES not received.

Note of Dissent by Mr. D. V. Gundappa.

Even after considering all that was said in favour of the Bill in the course of discussions in the Select Committee, I regret I am unable to withdraw my opposition to the Bill.

The one point that was stressed in the Select Committee by those who supported the Bill is that its object is to provincialize Municipal services, *i.e.*, to make the officers and officials of Municipal Councils an organic part of, and therefore interchangeable with the other members the of, the corresponding branches of administrative services of the State, so that there might be a wider field for the

choice, transfer and promotion of the officers of municipalities. I wish to say at once and unreservedly that I am in full sympathy with this object. I have myself very often pleaded for such provincialization of Municipal services as a means of securing greater efficiency in municipal administration. So that, there is no difference between me and the supporters of the Bill so far as the above object is concerned.

If this is all the object that the Government has in view, I venture to submit that the present form of the Bill completely obscures it, as is obvious from the ground taken up by those who opposed the Bill, namely—that the Bill is designed to take away *from* the Municipalities, and *for* the Government, an important power which they have long enjoyed as a legal right. Indeed, the third sentence in the Statement of Objects and Reasons itself suggests that the Bill has arisen as the result of a contest for power. The subtraction which the Bill seeks to make from the power allowed to the City Municipal Councils, is held by opponents to imply a censure on the way in which the municipalities have till now exercised their powers under Sections 233, 234 *et seqq.* of the 1933 Regulation. What the Bill in its present form emphasizes to the uninitiated is, not the laudable purpose of provincialising the municipal services, but the rather melancholy one of clipping the Municipalities, wings.

If the provincialising of the municipal services is a desirable object, that of preserving to the municipalities their present powers of initiative is, I submit, an equally desirable one. Under Section 233, a City Municipal Council has the power of appointing a Chief Officer, on its own motion, though subject to the approval of the Government; and in the event of its failure, the Government has the power of compelling it to do so. Provision of similar import is made in Section 234 with respect to the appointment of the Health Officer, the Engineer and other necessary officers. Action under these two sections is contemplated to be taken, in the first instance, by the Municipal Council concerned. This power of appointing its principal executive organs ordinarily by the exercise of its own free will, is a most important endowment not merely from the sentimental point of view of prestige, but also from the more material points of view of promoting

the sense of municipal responsibility and ensuring a due translation of the municipal will into daily administrative acts. The municipality that has got to take work from officers appointed by an outside authority and having to look to that other authority for promotion and facilities, cannot obviously be in a position to command those officers freely and readily,—at any rate not in such strong position as it could take up if the officers were men appointed by itself. When the servants of a municipality are, in reality and effect, subordinate to an outside authority, that Municipal Council must naturally develop a sence of futility and helplessness in the course of time; and at that rate, the Municipal Council will soon cease to attract to itself the best men that the City can put forward for its service. Thus, I consider the Bill as an attack, in truth, on a vital part of the system of Local Self-Government.

When there are two different objects in view, each as desirable as the other, the best course obviously is not to let one supersede the other, but to devise a plan of reconciling both to each other.

I would therefore appeal to the Government to withdraw the Bill. A separate Bill may be framed for the provincialising of Municipal services.

If this course does not commend itself to the Government, I would appeal to the Legislative Council to reject the Bill.

If even this appeal fails, I should like to persuade the House to accept at least the following amendment, which is one that I urged, but without success, in the Select Committee:—

"That the following proviso be added in Section I of the Bill, after the new part marked 234-A and before the new part marked 234-B.—

"Provided that, before taking action under any of the provisions of this Section (234-A), the Government or any authority appointed by it in this behalf, shall consult the Municipality or Municipalities concerned as to the action contemplated, in such manner as the Government may by rules prescribe."

It has been pointed out in the Statement of Objects and Reasons, and also in supplementary speeches, that such consultation as is proposed in my proviso has, as a

matter of fact, been taking place till now. If so, I see no harm in giving that wholesome practice a place in the statute. A good thing which is now left to the option of the Government, I should like to have confirmed by law as a condition certain and invariable.

(Sd.) D. V. Gundappa.

No. 2328—L. C. Bangalore, dated 25th October 1937.

Under Standing Order No. 49 of the standing orders for the conduct of business of the Mysore Legislative Council, the following Report of the Select Committee on the Bill to amend the Mysore City Municipalities Regulation, 1933, is published for general information.

By Order,
A. SUNDARARAJA RAO,
Secretary,
Mysore Legislative Council.

Report of the Select Committee on the Bill to amend the Mysore City Municipalities Regulation, 1933.

We, the members of the Select Committee appointed to consider the Bill to amend the Mysore City Municipalities Regulation, 1933, have considered the Bill and have now the honor to submit this our Report:

We have no alterations to recommend. But we would suggest that in giving directions under sub-clause (2) of Section 232 A opportunities may be provided for previous consultation with the municipal authorities concerned.

Sd. N. Madhava Rau (*Chairman*).
,, Mirle N. Lakshminaranappa,
,, Mohammed Abbas Khan,
,, B. T. Kesaviengar,
,, H. V. Ramasvami,
,, M. Venkatanaranappa,
,, H. C. Dasappa,
,, P. Subbarama Chetty,
,, D. V. Gundappa.

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BANGALORE, THURSDAY, NOVEMBER 11, 1937.

PART IV.

Legislative Measures and Rules thereunder.

NOTIFICATIONS.

No. T. 1392—*R. T.* 36-36-7, *dated Bangalore, the 8th November* 1937.

In exercise of the powers conferred upon them under Section 9(4) and Section 33 of the Mysore Road Traffic and Taxes Regulation No. VI of 1935 as amended by Regulation No. IX of 1936, the Government of His Highness the Maharaja are pleased to issue the following amendments to the rules published under Notification No. T. 962—R. T. 36-36-3, dated 18—19th January 1937, regarding remission or refund of tolls, taxes and cesses levied under the Regulation, the draft amendments in this behalf having been published under Notification No. T. 1029—R. T. 36-36-5, dated 17th September 1937, at pages 245 and 246, Part IV of the *Mysore Gazette*, dated 23rd September 1937 :—

Amendments.

Rule (1)—*Insert* "leviable or" between the words "cesses" and "levied" in line 3.

Substitute "was payable or" *for* "has been" in the last line.

Rule (2)—*Insert* "payable or" between the words "amount" and "paid" in line 1.

Insert "for sanction by the authority empowered to do so" between the words "limitation" and "shall" in line 3.

Delete "of the payment of" in line 4.

Add words "was payable or paid" at the end of the rule.

The rules will, after the above amendments, read as follows and be added to Rule 24 of the Motor Vehicles Tax Rules, Part I, as Clause (*g*):

Rule 24 (*g*)—(1) Except where otherwise specified under the rules, all applications for remission or refund of tolls, taxes and cesses leviable or levied under the Regulation shall be made not later than one calendar month from the date of the expiry of the period for which the toll, the taxes or the cess was payable or paid.

(2) For remission or refund of any amount payable or paid under the Regulation as tolls, taxes, cess or for any other claim in respect of these, the period of limitation for sanction by the authority empowered to do so shall be one year from the date the said tax, toll or cess was payable or paid.

By Order,

M. VENKATESA IYENGAR,

Secretary to Government,

General Department.

No. D. 3350—C. S. 11-36-198, dated Bangalore, the 29th October—3rd November 1937.

Under the powers vested in them by Section 44 (2) (c) of the Mysore Co-operative Societies Regulation, 1918, as amended from time to time the Government of His Highness the Maharaja of Mysore are pleased to publish for general information the following draft rule regarding the exclusion of political and religious activities from the Co-operative movement.

Any suggestions or objections in regard to the proposed rule may be sent to the Secretary, Local Self-Government Department, within two months from the date of publication of the draft rule in the *Mysore Gazette*

after which the draft rule will be taken up for consideration.

Any suggestions received after the due date will not receive consideration.

Rule 34. "No society may take any action which would involve the society in the discussion or propagation of controversial opinions of a religious or political character and the Registrar may prohibit any action or rescind any resolution which in his opinion is of such a tendency."

No. L. 4145—L. B. 74-37-1, dated Bangalore, the 3rd November 1937.

In exercise of the powers conferred by Sections 18 and 100 (2) (*b*) of the Mysore District Boards Regulation and all other powers in this behalf, Government direct that Rule 4 A issued under Government Notification No. L. 3688—L. B. 85-31-1, dated 14—18th November 1931 for regulating the election of Presidents and Vice-Presidents of District Boards, be substituted by the following:—

4 A. No person may be a candidate—

(i) for the office of President if he has held that office or for the office of the Vice-President, if he has held that office in the District Board for two consecutive terms of the District Board immediately preceding the date of election; or

(ii) if he has at any time been removed from the office of President or Vice-President of the District Board for misconduct in the discharge of his duties; or

(iii) if he is otherwise disqualified.

Explanation.—For the purposes of Sub-rule (i), the period during which the Deputy Commissioner takes the place of President under Section 17 (2) of the Regulation, shall not be considered an interruption in the tenure of the office of the elected President.

No. D. 3455—*C. S.* 11-36-200, *dated Bangalore, the* 8—9*th November* 1937.

Under the powers vested in them by Section 44 (2) (Q) of the Mysore Co-operative Societies Regulation of 1918 as amended from time to time, the Government of His Highness the Maharaja of Mysore are pleased to publish for general information the following draft rule regarding the limit of membership in Urban Co-operative Institutions.—

Any suggestions or objections to the proposed rules may be sent to the Secretary, to Government, Local Self-Government Department, within two months from the date of publication of this Notification in the *Mysore Gazette* after which the draft rule will be taken up for consideration.

Any suggestions received after the due date will not be considered by Government.

33. "In the case of any urban society the membership of which has, in the opinion of the Registrar, become unwieldy the Registrar may, after hearing the objections, if any, of the society concerned, direct that further admissions be stopped or fix the maximum strength of membership for the said society. From an order passed under this rule an appeal shall lie to Government within two months from the date of communication of the order to the society concerned."

By Order,

P. H. KRISHNA RAO,
Secretary to Government,
Local Self-Government Department.

Printed by the Superintendent at the Government Press, Bangalore.

Regd. No. M.—1175.

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PART IV.

Legislative Measures and Rules thereunder.

NOTIFICATIONS.

No. P. 2491—*Pol.* 91-37-2, *dated Bangalore, the* 12*th November* 1937.

In exercise of the powers vested in them by Section 3 (iv) of the Mysore Police Regulation V of 1908, as amended from time to time, the Government of His Highness the Maharaja of Mysore are pleased to direct that the words "on conviction" be added after the words "shall be liable" and before the words "to be fined" in Rule 23 of the Village Police Rules (Rules for the Organisation and Regulation of the Village Police in Mysore, published with the Notification of the Government of India, Foreign Department No. 230, dated Simla, the 16th October 1872).

Rule 23 as amended will read as follows:—

"Any police patel or village watchman liable to be called on for the performance of police duties, who shall be careless or negligent in the discharge thereof, shall be liable on conviction to be fined under the order of any full power Magistrate to any amount not exceeding his

estimated average official emoluments for three months. If he shall be guilty of any violation of duty or breach of the requirements of these rules, or of other misconduct or offence requiring a heavier punishment, he may be dismissed under the orders of the District Magistrate, or he may be proceeded against and punished as a public servant under the provisions of the Indian Penal Code; and in case of conviction, he will be liable also to dismissal, provided that in any case of dismissal under this rule, the patel may appeal to the Superintendent of the Division, and that no order of dismissal shall be final without the sanction of the Chief Commissioner."

No. R. 2166—*L. S.* 27-37-3, *dated Bangalore, the* 10—12*th November* 1937.

Addenda and Corrigenda to Rules under the Record of Rights Regulation.

Add the following to the sub-para under Rule 38-A of the Rules:—

"No fee shall also be charged in respect of lands resumed to Government for arrears of land revenue and subsequently restored to the Khatedars on payment of the arrears due thereon."

The sub-para as amended will read as follows:—

"No fee shall be charged in the case of grant of lands on darkhasts to private individuals and in the case of purchase of lands in sales held for arrears of revenue. No fee shall also be charged in respect of lands resumed to Government for arrears of land revenue and subsequently restored to the Khatedars on payment of the arrears due thereon."

By Order,

B. T. KESAVIENGAR,

Chief Secretary to Government.

No. T. 1500—*R. T.* 1-37-15, *dated Bangalore, the 15th November* 1937.

In virtue of the powers vested in them under Sections 14 and 15 of the Mysore Road Traffic and Taxes Regulation No. VI of 1935, the Government of His Highness the Maharaja are pleased to direct that the three Toll-gates in the Hassan District noted below be abolished with effect from 1st December 1937 :—

1. Kerlapur Bridge Toll-gate.
2. Sri Vani Vilasa Bridge Toll-gate.
3. Arsikere-Huliyar Road Toll-gate.

No. T. 1517—*R. T.* 10-37-6, *dated Bangalore, the 16th November* 1937.

The following draft of a rule which the Government propose to make in exercise of the powers vested in them under Section 11 of the Mysore Motor Vehicles Regulation, 1928, is published under sub-section 1 of the said Section for the information of persons likely to be affected thereby. Any objection or suggestion that may be received before the 12th of December 1937 in respect of the said draft rule will be considered by Government before the issue of the rule finally.

DRAFT RULE.

Add the following as Rule 39-C to the Mysore Motor Vehicles Rules, 1924, as amended from time to time :—

"If any District Superintendent of Police or the Inspector-General of Police at any time after a motor lorry has been registered has reason to believe that Rule 39-A has been infringed, such officer may, after notice to the registered owner, direct that the registration be cancelled. Where such officer himself is not the authority who registered the lorry, he shall report the fact, that the registration has been cancelled to the authority who registered the lorry. After such cancellation of registration, the lorry shall not be registered, again within a period of three months from the date on which the registration was cancelled."

By Order,

M. VENKATESA IYENGAR,

Secretary to Government,
General Department.

No. D. 3740—*I & C.* 293-36-9, *dated Bangalore, the* 13—15*th November* 1937.

The following draft amendment to Rules 4 and 5 (1) of the Mysore Maternity Benefit Rules published with Government Notification No. D. 981—I. & C. 293-36-7, dated 29th July 1937, is published for the information of persons likely to be affected thereby and notice is hereby given that the said amendment will be taken into consideration on or after the 30th November 1937. Any objections or suggestions which may be received from any person with respect to the said Rule before the date aforesaid will be taken into consideration :—

Substitute the words " The Inspector of Factories " *for* ' The Inspector ' in Rules 4 and 5 (1).

By Order,

M. VENKATANARANAPPA,
Secretary to Government,
Development Department.

No. D. 3557—*C. S.* 11-36-201, *dated Bangalore,* 10—12*th November* 1937.

Under the powers vested in them by Section 44 (2) (d) of the Mysore Co-operative Societies Regulation of 1918, as amended from time to time, the Government of His Highness the Maharaja of Mysore are pleased to publish for general information the following draft rule restricting multiple membership in Co-operative Societies.

Any suggestions or objections to the proposed rule may be sent to the Secretary to Government, Local Self-Government Department, within two months from the date of publication of this notification in the *Mysore Gazette,* after which the draft rule will be taken up for consideration.

Any suggestions received after the due date will not be considered by Government :—

6-B. " No person being a member of a credit society, except a Land Mortgage Bank or a Central Financing Bank or a House Building Society, shall be a member of any other credit society, without the general

or special sanction of the Registrar ; and where a person has become a member of two such credit societies, either or both of the societies shall be bound to remove him from membership upon a written requisition from the Registrar to that effect :

Provided that a month's notice shall be given to the person to select the society in which he wishes to continue as member, and his objections and wishes are duly considered by the Registrar before making the requisition."

No. G. 3706—*P. H.* 44-37-4, *dated Bangalore, the* 11*th November* 1937.

Under Section 1 (2) of the Mysore Prevention of Adulteration Regulation, IX of 1921, as amended by Regulations IV of 1929 and IV of 1930, Government are pleased to extend the provisions of the said Regulation to Hoskote Town in respect of milk (cow's and buffalo's), curds, butter and ghee.

No. G. 3709—*P. H.* 44-37-5, *dated Bangalore, the* 11*th November* 1937.

Under Section 20 of the Mysore Prevention of Adulteration Regulation, IX of 1921, as amended by Regulations IV of 1929 and IV of 1930, Government propose to make the rules issued in Notification No. G. 2463—San. 61-30-7, dated the 22nd September 1931 (annexed hereto) applicable to Hoskote Town Municipality. Any objections to the proposal, if made in writing on or before 1st December 1937, will be duly considered.

By Order,

P. H. KRISHNA RAO,

Secretary to Government,
Local Self-Government Department.

Rules under the Mysore Prevention of Adulteration Regulation.

1. In these rules, "Regulation" means the Mysore Prevention of Adulteration Regulation, IX of 1921.

"Section" means section of the above Regulation.

Section 3.—

2. The officer to whom the local executive officer may delegate his powers shall be of the rank of a Health Officer or shall hold the diploma of Public Health. No legal proceedings under the Regulation shall be instituted without the permission in writing of the President or the Commissioner as the case may be.

Section 20 (*b*).—

3. The area within which the local executive officer of a Municipal Council shall exercise powers shall be the Municipal limits of the place.

Section 20 (*c*).—

4. *Cleanliness of Vessels.*—All vessels, receptacles or utensils used for manufacturing or preparing food or containing any food intended for sale shall be cleansed with clean boiling water before and after use and shall be kept in a constant state of cleanliness. In case of food likely to be acted upon by the metal of the vessels, receptacles or utensils in which the food is manufactured, prepared or contained for purposes of sale, precautions shall be taken to prevent such metallic contamination.

Section 20 (*d*).—

5. *How notice of Admixture, Addition or Deficiency shall be given.*—If the vendor of any article intended for food knows that it is admixed with any foreign substance whatsoever or that any component part has been abstracted therefrom, he shall give due notice of such admixture or abstraction by means of distinct and clear labels in Kannada or in any other language likely to be read and understood by the people, affixed conspicuously on each package or receptacle containing the article. Unless the vendor of any food containing an admixture, addition or

deficiency, knows of his own knowledge, that the purchaser is able to read and understand the label, he shall give the purchaser the information contained in the label by word of mouth at the time of purchase.

Section 20 (*e*).—

6. The standards of purity prescribed for milk, cream, butter and ghee are as follows :—

Milk.—

Cow's Milk.—(1) Where a sample of cow's milk (not being sold as skimmed or separated milk), contains less than three per cent of milk-fat, it shall be presumed for the purposes of this Regulation, until the contrary be proved, that the milk is not genuine, by reason of the abstraction therefrom of milk-fat or the addition thereto of water.

(2) When a sample of cow's milk or any skimmed or separated cow's milk contains less than 8·5 per cent of milk-solids other than milk-fat, it shall be presumed for the purposes of this Regulation, until the contrary be proved, that the milk is not genuine by reason of the addition thereto of water.

(3) When a sample of cow's milk, whether sold as cow's milk or as skimmed or separated cow's milk, contains less than 0·5 per cent of nitrogen, it shall be presumed for the purposes of this Regulation, until the contrary be proved, that the milk is not genuine by reason of the addition thereto of water.

Buffalo Milk.—(4) Where a sample of buffalo milk (not being sold as skimmed or separated milk), contains less than 4·5 per cent of milk-fat, it shall be presumed for the purposes of this Regulation, until the contrary be proved, that the milk is not genuine by reason of the abstraction therefrom of milk-fat or the addition thereto of water.

(5) Where a sample of buffalo milk, whether sold as buffalo milk, or as skimmed or separated buffalo milk, contains less than nine per cent of milk-solids other than milk-fat, it shall be presumed for the purposes of this Regulation, until the contrary be proved, that the sample is not genuine by reason of the addition thereto of water.

(6) Where a sample of buffalo milk, whether sold as buffalo milk or as skimmed or separated buffalo milk, contains less than 0·53 per cent of nitrogen, it shall be

presumed for the purposes of this Regulation, until the contrary be proved, that the sample is not genuine, by reason of the addition thereto of water.

N. B.—The minimum limits for nitrogen prescribed above under (3) and (6) are intended to be used in those cases in which a sample of milk when it is analysed, is so far decomposed that an estimation of the proportion of milk-solids other than milk-fat in the sample before decomposition will be unreliable, the proportion of nitrogen not being appreciably affected by decomposition.

Unspecified Milk.—(7) Where a sample of milk, separated milk or skimmed milk, is sold or offered for sale or hawked about, without any indication as to whether it is derived from the cow or the buffalo and by comparison with the minimum limits given for the cow's milk in the above, it appears to be adulterated, it shall be presumed for the purposes of this Regulation, until the contrary be proved, that the sample is not genuine for the reason given in the above rule or rules which are applicable.

Maximum limit for Dirt in Milk.—(8) Where a sample of milk, separated or skimmed milk, deposits, on standing for a period of 24 hours or less, an amount of visible sediment exceeding five parts per 100,000 (both milk and sediment being measured by volume), it shall be presumed for the purposes of this Regulation, until the contrary be proved, that the sample is not genuine by reason of its containing an excessive amount of dirt.

Cream.—(9) Where a sample of cream contains less than 20 per cent of milk-fat, it shall be presumed for the purposes of this Regulation, until the contrary be proved, that the sample is not genuine.

Butter.—(10) Where the proportion of water in a sample of butter exceeds 20 per cent, it shall be presumed for the purposes of this Regulation, until the contrary be proved, that the butter is not genuine by reason of the excessive amount of water therein.

Ghee.—(11) Where the proportion of water in a sample of ghee exceeds one per cent, it shall be presumed for the purposes of this Regulation, until the contrary be proved, that the ghee is not genuine by reason of the excessive amount of water therein.

Section 20 (*f*).—

7. (1) No person shall add water or any dried or condensed milk or any fluid reconstituted therefrom or

any skimmed milk or separated milk to milk intended for sale, and no person shall, by himself or by any servant or agent, sell or offer for sale or hawk about, any milk to which any such addition has been made.

(2) No person shall abstract any ingredient from milk, without giving due notice of the same, in an unambiguous manner, of the fact of such abstraction therefrom, as prescribed in rules under Section 20 (*d*).

(3) No person either by himself or any servant or agent, shall sell or offer for sale or hawk about, as milk, any liquid in the making of which dried milk or condensed milk has been used or to which water or other diluent or adulterant has been added or from which any ingredient has been abstracted, without due notice of the same to the purchaser as prescribed in rule under Section 20 (*d*).

Section 20 (*g*).—

8. Any receptacle containing dried, condensed, skimmed or separated milk shall be labelled with an adhesive label which shall contain the information and be of the size indicated below. The information shall be in black type, printed or written in the centre of the label, which shall be of white colour. Nothing else shall be printed or written on the label, except the name of the article. The label shall be clearly visible to the purchaser and shall measure at least 2″×4″ where only Kannada is used or at least 4″×4″ where more than one language is employed.

Section 20 (*h*).—

9. (1) Any person taking a sample of milk for the purposes of this Regulation may add a preservative for the purpose of retaining the sample in a condition convenient for analytical purposes.

(2) The preservative used shall be the liquid commonly known as "formalin" which is a liquid containing about 40 per cent of formaldehyde in aqueous solution.

(3) The amount of preservative added shall be approximately in proportion of one drop of formalin for every 2 oz. of the sample of milk.

(4) Each sample of milk to which formalin has been added by the person taking the sample shall bear a notification on the label to the effect that it has been "artificially preserved."

(5) For the purposes of this rule, milk includes skimmed and separated milk.

10. *Penalty for breach of Rules.*—Every manufacturer or dealer or vendor who—(*a*) disobeys, fails to comply with or acts in contravention of the provisions made under Rule 4 herein, in respect of cleanliness of vessels, receptacles or utensils used for manufacturing, preparing or containing any food intended for sale, or (*b*) neglects to affix labels to notify in the manner prescribed, the fact of the admixture of foreign ingredients in the case of adulterated articles of food or abstraction of any component part therefrom of any article of food, or (*c*) fails to give the purchaser, in cases mentioned in Rule 5, information contained in such labels by word of mouth at the time of purchase, or (*d*) manufactures, deals in or sells milk, cream, butter or ghee below the standard prescribed in Rule 6 above shall, on conviction before a magistrate, be punished with a fine not exceeding Rs. 50 and with a fine which may extend to Rs. 50 for every subsequent offence.

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PART IV.

Legislative Measures and Rules thereunder.

NOTIFICATIONS.

No. T. 1565—R. T. 38-36-33, dated Bangalore, 19th November 1937.

Subject—Refund of Taxes.

In exercise of the powers conferred upon them by sub-section (4) of Section 9 of the Mysore Road Traffic and Taxes Regulation No. VI of 1935, as amended by Regulation No. IX of 1936, the Government of His Highness the Maharaja are pleased to issue the following amendments to sub-clauses (iv), (vii) and (viii) of Rule 24 (d) of the Mysore Motor Vehicles Tax Rules published with notification No. P. 3896—Legis. 46-35, dated the 16th December 1935 :—

Amendments.

Insert " or half year " in the following places :—

(i) After the word " quarter " in lines 2 and 3 of sub-clause (iv) published with notification No. P. 653—Legis. 46-35-86, dated the 23rd July 1936.

(ii) After the word "quarter" in line 2 of sub-clause (vii) published with notification No. T. 1120—R. T. 13-36-24, dated the 4—5th February 1937.

(iii) After the word "quarter" in lines 2 and 5 of sub-clause (viii) published with notification No. T. 1625—R. T. 13-36-29, dated the 16th March 1937.

After these amendments, the above sub-clauses will read as follows :—

"24 (d) (iv)—or the vehicles being purchased in the course of the quarter or half year and thus used during only a part of the quarter or half year.

* * * *

(vii) or the vehicle becoming derelict or unfit for further use in the course of the quarter or half year, the registration whereof has been duly cancelled by the Registering Authority.

(viii) or the vehicle being re-registered in the course of the quarter or half year (the original registration having been previously cancelled) and thus used during only a portion of the quarter or half year."

By Order,

M. VENKATESA IYENGAR,

Secretary to Government,

General Department.

No. 2784—L. C., Bangalore, dated 23rd November 1937.

Under Rule 7 of the rules for the conduct of business of the Mysore Legislative Council, the accompanying private Bill to remove all Legal Obstacles to the Marriage of Hindu Widows in the Mysore State is published for general information with the statement of objects and reasons.

By Order,

A. SUNDARARAJA RAO,

Secretary,

Mysore Legislative Council.

Bill to Remove all Legal Obstacles to the Marriage of Hindu Widows in the Mysore State.

Whereas the removal of all legal obstacles to the marriage of Hindu Widows in the State will tend to the promotion of good morals and to the public welfare and whereas it is just to hold offsprings of such marriages as legitimate, it is hereby enacted as follows:—

Short title, extent and commencement.

1. (*i*) The Regulation may be called "The Mysore Hindu Widows Marriage Regulation, 193 ."

(*ii*) It shall extend to the whole of the territories of Mysore.

(*iii*) It shall come into operation at the expiration of six months from the date of its publication in the Official Gazette.

Marriage of Hindu Widows Legalised.

2. Notwithstanding any custom and any interpretation of Hindu Law to the contrary, no marriage contracted between Hindus shall be invalid, and no issue of such marriage shall be illegitimate, by reason of the woman having been previously married or betrothed to another person who was dead at the time of such marriage, provided that the parties must not be related to each other in any degree of consanguinity or affinity which would under Hindu Law render a marriage illegal.

Ceremonies constituting valid marriage to have effect on Widows Re-marriage.

3. Whatever words spoken, ceremonies performed or engagements made on the marriage of a Hindu female who has not been previously married, are sufficient to constitute a valid marriage, shall have the same effect if spoken, performed or made on the marriage of a Hindu Widow; and no marriage shall be declared invalid on the ground that such words, ceremonies or engagements are inapplicable to the case of a widow.

Consent to the re-marriage of a Widow.

4. A widow who has not completed her sixteenth year and whose previous marriage has not been consummated, shall not re-marry without the consent of her guardian in marriage in the order mentioned, *viz.*, her father, her mother or her next male relatives.

The consent of the guardian shall be presumed until the contrary is proved.

No such marriage shall be declared void after it has been consummated in the case of a widow who has completed her sixteenth year, or whose previous marriage has been consummated. Her own consent shall be sufficient consent to constitute her re-marriage lawful and valid.

Saving of rights of widow marrying.

5. Except as hereinafter provided, a widow shall not, by reason of her re-marriage forfeit any property or any right to which she would otherwise be entitled; and every widow who has re-married shall have the same rights of inheritance as she would have had, had such marriage been such marriage.

Rights of widow on her marriage.

6. All rights and interests which any widow may have inherited from her deceased husband shall upon her re-marriage cease and determine as if she had then died, and the next heirs of her deceased husband, or other persons entitled to the property on her death shall thereupon succeed to the same.

Exception I.—In the absence of such a next heir or person entitled to the property at the time of her re-marriage, the property inherited from her husband shall be deemed to be her absolute property.

Exception II.—Rights and interests in any property by virtue of any gift or testamentory disposition upon her only a limited estate with no power of alienating the same shall be deemed to confer upon her an absolute estate; *i.e.*, one with power of alienating the same, unless there is an express prohibition to re-marry in the terms evidencing the gift or testamentory disposition.

Guardianship of children of deceased husband on the re-marriage of his widow.

7. On the re-marriage of a Hindu widow, if neither the widow nor any other person has been expressly constituted by the will or testamentory disposition of the deceased husband the guardian of the children, she shall be entitled during their minority to have the care and custody of her children or any of them by her deceased husband until a competent Court having original Jurisdiction in civil cases in the place where the deceased was domiciled at the time of his death shall appoint some proper person other than the mother to be guardian on a petition by the father or the paternal grandfather or the mother or

the grandmother or any male relative of the deceased husband, and in making such appointment, the said court shall be guided, so far as may be, by the laws and rules in force touching the guardianship of children who have neither father nor mother:

Provided that, when the said children have not property of their own sufficient for their support and proper education whilst minors, no such appointments shall be made otherwise than with the consent of the mother unless the proposed guardian shall have given security for the support and proper education of the children during their minority:

Provided also that when the widow has been expressly constituted guardian by the will or testamentory disposition of the deceased husband no such appointment shall be made.

STATEMENT OF OBJECTS AND REASONS.

Mysore has not as yet a regulation corresponding to Act XV of 1856 which legalises the re-marriage of Hindu widows and we are therefore certainly behind British India in this respect. The British Act of 1856 was the outcome of the efforts of the late Pandit Iswar Chandar Vidyasagar making it applicable to all Hindu widows who may be so minded as to re-marry in spite of the traditional interpretation of the Hindu Law or custom to the contrary.

The Bill is purely a permissive measure and aims at removing legal obstacles to the re-marriages of such Hindu widows as wish to re-marry and at legitimising the children born of such wedlock. It endeavours to meet the growing consciousness of the educated Hindus who believe that the re-marriage of Hindu widows is not opposed to the true interpretation of the precepts of Hindu religion but is also in consonance with the principles of Justice and Equity. It does not affect the right of a Hindu widow who is allowed to re-marry by the custom of her community.

The rules of Consanguinity and Affinity under the Hindu Law are made applicable to the case of re-marriage and the widows gothram is fixed as that of her father for purposes of her re-marriage. The customary marriage ceremonies generally observed in the case of the first

marriage are made applicable to the re-marriages. In the case of a minor widow, the consent of her guardian in marriage is made obligatory except where her first marriage had been consummated.

The right of a widow in the estate of her deceased husband ceases on her marriage and she is divested of all rights inherited from him which then pass on to the next heir of her deceased husband. In the absence of such heir, the re-married widow continues to enjoy them as her absolute estate. The rights acquired by her under gift deed or will from her deceased husband are deemed as her absolute estate unless there is a prohibition to re-marry in the deed of the gift or the will.

A re-married widow continues to be the guardian of her children by the first husband until a civil court appoints another person in her place as guardian at the instance of some interested person.

No. 2785—*L.C., Bangalore, dated* 23*rd November* 1937.

Under Standing Order No. 49 of the standing orders for the conduct of business of the Mysore Legislative Council, the following Report of the Select Committee on the Bill to amend the Mysore Irrigation Regulation, I of 1932, is published for general information.

By Order,

A. SUNDARARAJA RAO,

Secretary,

Mysore Legislative Council.

Report of the Select Committee on the Bill to amend the Mysore Irrigation Regulation I of 1932.

We, the undersigned members of the Select Committee to which the Bill to amend the Mysore Irrigation Regulation I of 1932, was referred, have considered the Bill and have now the honour to submit this our Report.

1. We recommend that no change is needed in the Bill except a few verbal alterations. The bill need not be republished.

Sd. K. V. Anantaraman.
,, B. T. Kesaviengar.
,, H. V. Ramasvami.
,, B. R. Puttananjappa.
,, G. Girimaji Rao.
,, S. P. Rajagopalachari (*Chairman*).

N.B.—Mr. D. H. Chandrasekharaiya was unable to be present at the meeting.

No. 2786—*L. C., Bangalore, dated* 23*rd November* 1937.

Under Standing Order No. 49 of the standing orders for the conduct of business of the Mysore Legislative Council, the following Report of the Select Committee on the Bill further to amend the Minor Tank Restoration Regulation, 1916, is published for general information.

By Order,
A. SUNDARARAJA RAO,
Secretary,
Mysore Legislative Council.

Report of the Select Committee on the Bill further to amend the Minor Tank Restoration Regulation, 1916.

We, the undersigned members of the Select Committee to which the Bill further to amend the Minor Tank Restoration Regulation, 1916, was referred, have considered the Bill and have now the honour to submit this our Report.

We suggest that the proposed sub-clause (1) of clause 2 be omitted and that the words "whether situated in a Government or an alienated village," be added after the figure '1911' occurring in Section 2 of the said Regulation.

We recommend that the Bill need not be republished as no material alteration is made in it.

Sd. K. V. Anantaraman.
,, B. T. Kesaviengar.
,, H. V. Ramasvami.
,, B. R. Puttananjappa.
,, G. Girimaji Rao.
,, S. P. Rajagopalachari (*Chairman*).

N.B.—Mr. D. H. Chandrasekharaiya was unable to be present at the meeting.

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PART IV.

Legislative Measures and Rules thereunder.

NOTIFICATIONS.

No. 2792—L. C., dated Bangalore, 27th November 1937.

Under Rule 8 of the Rules for the conduct of business of the Mysore Legislative Council, the accompanying Mysore Extradition Bill is published for general information with the statement of objects and reasons.

By Order,

A. SUNDARARAJA RAO,

Secretary,

Mysore Legislative Council.

The Mysore Extradition Bill.

Whereas it is expedient to amend and consolidate the law relating to the extradition and rendition of criminals, It is hereby enacted as follows :—

CHAPTER I.

PRELIMINARY.

Short title, extent and commencement.

1. (i) This Regulation may be called the Mysore Extradition Regulation, 1931.

(ii) It extends to the whole of Mysore; and

(iii) It shall come into force from such date as the Government may, by notification in the Official Gazette, direct.

Definitions.

2. In this Regulation, unless there is anything repugnant in the subject or context—

(*a*) "extradition offence" means any such offence as is described in the schedule;

(*b*) "offence" includes any act wheresoever committed which would, if committed in Mysore, constitute an offence;

(*c*) "rules" include prescribed forms;

(*d*) "fugitive criminal" means any person accused or convicted of an extradition offence committed outside Mysore who is in or is suspected of being in some part of Mysore; and

(*e*) "prescribed" means prescribed by rules made under this Regulation.

CHAPTER II.

SURRENDER OF FUGITIVE CRIMINALS IN CASE OF INDIAN STATES.

Application of Regulation.

3. Where an arrangement has been made with any State in India with respect to the surrender to such State of any fugitive criminals, the Government may, by notification in the Official Gazette, direct that this Regulation shall apply in the case of such State.

Every such notification shall recite or embody the terms of the arrangement, and shall not remain in force for any longer period than the arrangement.

4. Where this Regulation applies in the case of any State, every fugitive criminal of that State who is in or is suspected of being in any part of Mysore, shall be liable to be apprehended and surrendered in manner provided by this Regulation, whether the offence in respect of which the surrender is sought was committed before or after the date of the notification, and whether there is or is not any concurrent jurisdiction in any Court in Mysore over that offence. Apprehension of fugitives.

5. (1) Where a requisition is made to the Government by or on behalf of the Government of any State in India in the case of which this Regulation applies for the surrender of a fugitive criminal of such State, who is or is suspected of being in Mysore, the Government may if it thinks fit issue an order to any Magistrate who would have had jurisdiction to inquire into the offence if it had been an offence committed within the local limits of his jurisdiction directing him to inquire into the case. Requisition for surrender.

(2) The Magistrate so directed shall issue a summons or warrant for the arrest of the fugitive criminal according as the case appears to be one in which a summons or warrant would ordinarily issue. Summons or warrant for arrest.

(3) When such criminal appears or is brought before the Magistrate, the Magistrate shall inquire into the case in the same manner and have the same jurisdiction and powers, as nearly as may be, as if the case were one triable by the Court of Session, and shall take such evidence as may be produced in support of the requisition and on behalf of the fugitive criminal, including any evidence to show that the offence of which such criminal is accused or alleged to have been convicted is an offence of a political character or is not an extradition offence. Inquiry by Magistrate.

(4) If the Magistrate is of opinion that a *prima facie* case is made out in support of the requisition, he may commit the fugitive criminal to prison to await the orders of the Government. Committal.

(5) If the Magistrate is of opinion that a *prima facie* case is not made out in support of the requisition, or if the case is one which is bailable under the provisions of the Code of Criminal Procedure for the time being in force, the Magistrate may release the fugitive criminal on bail. Bail.

(6) The Magistrate shall report the result of his inquiry to the Government, and shall forward, together with such report, any written statement which the fugitive Magistrate's report.

criminal may desire to submit for the consideration of the Government.

Reference to High Court if Government thinks necessary.

(7) If the Government is of opinion that such report or written statement raises an important question of law, it may make an order referring such question of law to the High Court and the fugitive criminal shall not be surrendered until such question has been decided.

Warrant for surrender.

(8) If, upon receipt of such report and statement or upon the decision of any such question, the Government is of opinion that the fugitive criminal ought to be surrendered, it may issue a warrant for the custody and removal of such criminal and for his delivery at a place and to a person to be named in the warrant.

Lawfulness of custody and re-taking under warrant for surrender.

(9) It shall be lawful for any person to whom a warrant is directed in pursuance of sub-section (8) to receive, hold in custody and convey the persons mentioned in the warrant, to the place named in the warrant, and if, such person escapes out of any custody to which he may be delivered in pursuance of such warrant, he may be re-taken as aperson accused of an offence against the law of Mysore may be re-taken upon an escape.

Discharge of fugitive criminal committed to prison after two months.

(10) If such a warrant as is prescribed by sub-section (8) is not issued and executed in the case of any fugitive criminal who has been committed to prison under sub-section (4), within two months after such committal, the High Court may, upon application made to it on behalf of such fugitive criminal and upon proof that reasonable notice of the intention to make such application has been given to the Government, order such criminal to be discharged, unless sufficient cause is shown to the contrary.

Power to Magistrate to issue warrant of arrest in certain cases.

6. (1) Where it appears to any Magistrate of the first class or any Magistrate specially empowered by the Government in this behalf that a person within the local limits of his jurisdiction is a fugitive criminal of a State in India in the case of which this Regulation applies, he may, if he thinks fit, issue a warrant for the arrest of such person on such information or complaint and on such evidence as would, in his opinion, justify the issue of a warrant if the offence of which he is accused or has been convicted had been committed within the local limits of his jurisdiction.

Issue of warrant to be reported forthwith.

(2) The Magistrate shall forthwith report the issue of a warrant under this section to the Government.

(3) A person arrested on a warrant issued under this section shall not be detained more than two months unless within that period the Magistrate receives an order made with reference to such person under sub-section (1) of Section 5.

Person arrested not to be detained unless order received.

(4) In the case of a person arrested or detained under this section, the provisions of the Code of Criminal Procedure for the time being in force relating to bail shall apply in the same manner as if such person were accused of committing in Mysore the offence of which he is accused or has been convicted.

Bail.

7. The Government may at any time stay any proceedings taken under this Chapter and direct any warrant issued under this Chapter to be cancelled and the person for whose arrest such warrant has been issued to be discharged.

Power of Government to discharge any person in custody at any time.

CHAPTER III.

SURRENDER OF FUGITIVE CRIMINALS IN CASE OF BRITISH INDIA.

8. (1) Where an extradition offence has been committed or is supposed to have been committed by a person in British India and such person escapes into or is in Mysore, the Government may, on receipt of a requisition made by or on behalf of any Provincial Government in British India for the surrender of the said person direct the issue of a warrant addressed to the District Magistrate of any district in which such person is believed to be, for his arrest and delivery at a place and to a person or authority indicated in the warrant, and such Magistrate shall act in pursuance of such warrant and may give directions accordingly.

Issue of warrant by Government in certain cases.

(2) A warrant issued as mentioned in sub-section (1) shall be executed in the manner provided by the law for the time being in force with reference to the execution of warrants, and the accused person, when arrested, shall be produced before the District Magistrate who shall record any statement made by him; such accused person shall then, unless released in accordance with the provisions of the Regulation, be forwarded to the place and delivered to the person or authority indicated in the warrant.

Execution of such warrant.

Proclamation and attachment in case of persons absconding.

(3) The provisions of the Code of Criminal Procedure for the time being in force in relation to proclamation and attachment in the case of persons absconding shall, with any necessary modifications, apply where any warrant has been received by a District Magistrate under this section as if the warrant had been issued by himself.

Release on giving security.

9. (1) Where an endorsement has been made on any such warrant that the person for whose arrest it is issued may be released on executing a bond with sufficient sureties for his attendance before a person or authority indicated in this behalf in the warrant at a specified time and place, the Magistrate to whom the warrant is addressed shall on such security being given, release such person from custody.

Magistrate to retain bond.

(2) When security is taken under this section, the Magistrate shall certify the fact to the Government and shall retain the bond.

Re-arrest in case of default.

(3) If the person bound by any such bond does not appear at the time and place specified, the Magistrate may, on being satisfied as to his default, issue a warrant directing that he be re-arrested and handed over to any person authorised by the Government to take him into custody.

Deposit in lieu of bond and forfeiture of bonds.

(4) In the case of any bond executed under this section, the Magistrate may exercise the powers conferred by the Code of Criminal Procedure for the time being in force in relation to taking a deposit in lieu of the execution of a bond and with respect to the forfeiture of bonds and the discharge of sureties.

Requisition for surrender

10. Where a requisition is made to the Government by or on behalf of any Provincial Government in British India for the surrender of any person accused of having committed in British India an offence other than an extradition offence, such requisition shall (except in so far as it relates to the taking of evidence to show that the offence is of a political character or is not an extradition offence) be dealt with so far as may be in accordance with the procedure prescribed by Section 5.

Power to Magistrates to issue warrants of arrest in certain cases.

11. (1) If it appears to any Magistrate of the first class or any Magistrate empowered by the Government in this behalf that a person within the local limits of his jurisdiction is accused or suspected of having committed an offence in British India and that such person may lawfully be surrendered or that warrant may be issued for his arrest

under Section 8, the Magistrate may, if he thinks fit, issue a warrant for the arrest of such person on such information or complaint and on such evidence as would, in his opinion, justify the issue of a warrant if the offence had been committed within the local limits of his jurisdiction.

Issue of warrant to be reported forthwith.

(2) The Magistrate shall forthwith report to the Government through the District Magistrate the issue of a warrant under this section.

Limit of time of detention of person arrested.

(3) A person arrested on a warrant issued under this section shall not, without the special sanction of the Government, be detained more than two months, unless within such period the Magistrate receives an order made with reference to such person in accordance with the procedure prescribed by Section 10, or a warrant for the arrest of such person is issued under Section 8.

Bail.

(4) In the case of a person arrested or detained under this section, the provisions of the Code of Criminal Procedure for the time being in force relating to bail shall apply in the same manner as if such person were accused of committing in Mysore the offence with which he is charged.

Surrender of person accused of, or undergoing sentence for offence in Mysore.

12. (1) A person accused of an offence committed in Mysore, not being the offence for which his surrender is asked or undergoing sentence under any conviction in Mysore shall not be surrendered except on the condition that such person be re-surrendered to the Government on the termination of his trial for the offence for which his surrender has been asked:

Provided that no such condition shall be deemed to prevent or postpone the execution of a sentence of death walfully passed.

Suspension of sentence on surrender.

(2) On the surrender of a person undergoing sentence under a conviction in Mysore, his sentence shall be deemed to be suspended until the date of his re-surrender, when it shall revive and have effect for the portion thereof which was unexpired at the time of his surrender.

Application of Chapter to convicted persons.

13. The provisions of this Chapter with reference to accused persons shall, with any necessary modifications, apply to the case of a person who, having been convicted of an offence in British India, has escaped into or is in Mysore before his sentence has expired.

Abetment and attempt.

14. Every person who is accused or convicted of abetting or attempting to commit any offence shall be deemed, for the purposes of this Chapter, to be accused or convicted of having committed such offence, and shall be liable to be arrested and surrendered accordingly.

Lawfulness of custody and retaking under warrant issued under Chapter.

15. It shall be lawful for any person to whom a warrant is directed in pursuance of the provisions of this Chapter to receive, hold in custody and convey to the place named in the warrant the person mentioned in the warrant; and, if such person escapes out of any custody to which he may be delivered in pursuance of such warrant, he may be re-taken as a person accused of an offence against the law of Mysore, may be re-taken upon an escape.

Power of Government to stay proceedings and discharge person in custody.

16. The Government may, by order, stay any proceedings taken under Chapter, and may direct any warrant issued under this Chapter to be cancelled, and the person for whose arrest such warrant has been issued to be discharged.

Application of Chapter to offences committed before its commencement.

17. The provisions of this Chapter shall apply to an offence or to an extradition offence, as the case may be, committed before the passing of this Regulation, and to an offence in respect of which a Court of Mysore has concurrent jurisdiction.

CHAPTER IV.

MISCELLANEOUS.

Receipt in evidence of exhibits, depositions and other documents.

18. In any proceedings under this Regulation, exhibits and depositions (whether received or taken in the presence of the person against whom they are used or not) and copies thereof, and official certificates of facts and judicial documents stating facts, may, if authenticated in the prescribed manner, be received as evidence.

Evidence by commission.

19. The testimony of any witness may be obtained in relation to any criminal matter pending in any State in India in like manner as it may be obtained in any civil matter under the provisions of the Code of Civil Procedure for the time being in force with respect to commissions, and the provisions of that Code relating thereto shall be construed as if the term "suit" included criminal proceeding.

20. (1) The Government may make rules to carry out the purpose of this Regulation. Power to make rules.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for—

(*a*) the removal of prisoners accused or in custody under this Regulation, and their control and maintenance until such time as they are handed over to the persons named in the warrant as entitled to receive them;

(*b*) the seizure and disposition of any property which is the subject of, or required for proof of, any alleged offence to which this Regulation applies;

(*c*) the pursuit and arrest in Mysore, by officers of the Government or other persons authorised in this behalf, of persons accused of offences committed elsewhere;

(*d*) the manner of authenticating documents; and

(*e*) the procedure and practice to be observed in extradition proceedings.

(3) Rules made under this section shall be published in the Official Gazette and shall thereupon have effect as if enacted by this Regulation.

21. Notwithstanding anything in the Code of Criminal Procedure, 1904, any person arrested without an order from a Magistrate and without a warrant, in pursuance of the provisions of Section 54, clause *seventhly*, of the said Code, may, under the orders of a Magistrate within the local limits of whose jurisdiction such arrest was made be detained in the same manner and subject to the same restrictions as a person arrested on a warrant issued by such Magistrate under Section 11. Detention of persons arrested.

22. (1) On and from the date on which this Regulation comes into force, the Chief Commissioner's Notification No. III, dated 23rd July 1878, and Government Notification No. J. 219—Legis. 14-04-14, dated the 20th July 1907 shall be deemed to be repealed. Repeal.

(2) All orders made and acts done under any of the notifications hereby repealed in respect of requisitions received before coming into force of this Regulation shall have the same force and effect as if they had been made or done under this Regulation.

23. Nothing contained in this Regulation shall affect or be deemed to have affected the prerogative of His Highness the Maharaja to direct, independently of Prerogative of His Highness the Maharaja to direct extradition.

this Regulation, the extradition and surrender of any criminal found in Mysore.

Explanation.—In this section "criminal" includes a person accused or convicted in British India of an act which, whether or not constituting an offence if done in Mysore, constitutes an offence if done in British India.

THE SCHEDULE.

EXTRADITION OFFENCES.

(*The sections referred to are the sections of the Indian Penal Code.*)

Frauds upon creditors (Section 206).

Resistance to arrest (Section 224).

Offences relating to coin and stamps (Sections 230 to 263-A).

Culpable homicide (Sections 299 to 304).

Attempt to murder (Section 307).

Thugee (Sections 310 and 311).

Causing miscarriage and abandonment of child (Sections 312 to 317).

Causing hurt (Sections 323 to 333).

Wrongful confinement (Sections 347 and 348).

Kidnapping and slavery (Sections 360 to 373).

Rape and unnatural offences (Sections 375 to 377).

Theft, extortion, robbery, etc. (Sections 378 to 414).

Cheating (Sections 415 to 420).

Fraudulent deeds, etc. (Sections 421 to 424).

Mischief (Sections 425 to 440).

Lurking, house-trespass (Sections 443 and 444).

Forgery, using forged documents, etc. (Sections 463 to 477-A).

Desertion from the Army.

Piracy by law of nations.

Sinking or destroying a vessel at sea, or attempting or conspiring to do so.

Assault on board a ship on the high seas with intent to destroy life or to do grievous bodily harm.

Revolt or conspiracy to revolt by two or more persons on board a ship on the high seas against the authority of the master.

Any offences against the laws relating to criminal tribes or against any section of the Indian Penal Code or against any other law which may, from time to time, be specified by the Government by notification in the Official Gazette either generally for British India and all States or specially for British India or for any one or more States.

Statement of Objects and Reasons.

For the extradition and surrender of fugitive criminals, Mysore has entered into reciprocal arrangements with some States, such as Hyderabad, Cochin, Puddukotah, Travancore, Sandur, Banganpalli, etc., but the procedure for giving effect to such arrangements rests mainly on executive action and has no statutory basis.

So far as the extradition of fugitive criminals to British India is concerned, the present procedure is the one prescribed by the Chief Commissioner's Notification No. 111, dated 23rd July 1878. According to it, whenever a warrant is issued by a British Indian Magistrate for the surrender of a fugitive criminal, it has to be acted upon by the Mysore Magistrate as if it were a warrant issued by himself and the fugitive surrendered. The offence for which a warrant can be issued under this notification need not be an offence under the law in Mysore; nor again need it necessarily be what is generally known as "an extradition offence."

Under the Indian Extradition Act of 1903, extradition is allowed only in respect of some few offences specified in the Schedule to the Act. According to it, a requisition has to be made to the British Resident together with the particulars of the offence, the whereabouts of the accused and the records of the criminal enquiry held by the Mysore Magistrate making a *prima facie* case against the accused. The Resident, after satisfying himself that a *prima facie* case has been made out, issues a warrant for the arrest of the accused. The Resident also satisfies himself that the surrendered accused receives a fair trial and the punishment is not excessive or barbarous.

Though the intention when the Chief Commissioner's Notification of 1878 was issued appears to have been to limit its operation to extradition offences, in practice, all offences and even offences of a purely fiscal nature such as failure to pay taxes due on a motor vehicle, offences more or less of a civil nature such as defamation and acts which have been penalised and which could not have been contemplated as offences when the Chief Commissioner's Notification was issued, have, in course of time, been brought under it.

The general principle underlying extradition between States is that each State should surrender in response to

the demands of others, all persons charged with crimes which are recognised by the general conscience of civilised nations as grave offences.

The existing law and procedure in respect of the surrender of fugitive criminals to British India have been examined in detail in the judgment of the Full Bench of the High Court of Mysore in Criminal Revision Petition No. 192 of 1932-33. In that case, it has been held that the Chief Commissioner's Notification of 1878 has the force of law in Mysore, but that the British Indian Magistrate was not legally competent to issue a warrant for execution outside the limits of British India, and that his warrant for execution in Mysore was illegal and without jurisdiction. In the case under reference, the offence was not one classed as extraditable under the law in force in British India, but the grounds for the decision about the illegality of the British Indian Magistrate's warrant seems to be of general application. In view of this decision, it appears that doubts are liable to be raised in regard to the surrender of fugitive criminals under the Chief Commissioner's Notification even in extradition cases.

It has therefore been considered desirable and necessary to place on a statutory basis the procedure adopted for the surrender and extradition of criminals from Mysore to other States and British India. This Bill is intended to give effect to this and also to remove the anomalies and inconveniences existing in the present procedure.

The Bill is modelled on the lines of the Indian Extradition Act, XV of 1903, and deals with extradition between—

1. Mysore and British India, and
2. Mysore and other States in India.

The Bill provides mainly for extradition in respect of offences which are known as extradition offences. These are enumerated in the Schedule which follows closely the Indian Act.

Chapter II deals with the surrender of criminals in the case of the States in India. The provisions will apply only in the case of such States between which and Mysore, there are arrangements for extradition. For the application of the Regulation, the Government

will have to issue a notification in this behalf reciting the terms of the arrangement.

The main features of the procedure for extradition in such cases are:—

(*a*) a requisition has to be made by the State asking for the extradition of a fugitive;

(*b*) Government have to direct an enquiry by a Magistrate;

(*c*) the Magistrate has to issue process, hold an enquiry and find out whether a *prima facie* case is made out;

(*d*) the Magistrate after enquiry has to make a report;

(*e*) the Government may then issue a warrant for the surrender of the fugitive criminal.

Chapter III deals with surrender of criminals in the case of British India and the procedure prescribed herein follows closely the procedure under the Indian Act for extradition of fugitive criminals from British India to Mysore. In view of the existing arrangements between Mysore and British India, the enquiry by a magistrate contemplated in Part II is dispensed with in the case of extradition offences which are enumerated in the Schedule. The Government may on receipt of a requisition therefor and on being satisfied that a *prima facie* case has been committed, direct the issue of a warrant to the District Magistrate of the District concerned for the arrest of the fugitive criminal. The District Magistrate will have to arrest such person and release him on bail if so directed by the warrant, or deliver him to the person or authority indicated in the warrant.

Provision is also made for extradition to British India in respect of offences other than extradition offences. Requisitions in such cases will be dealt with in accordance with the procedure prescribed in Chapter II. After enquiry by a Magistrate, the Government may permit extradition in respect of such offences also.

Local Magistrates are empowered to arrest persons who are accused or suspected of having committed an extradition offence in British India or the State to which this Regulation applies pending the receipt of a requisition or the issue of a warrant for his arrest by the Government. Provision is made for the resurrender of persons undergoing sentence for offences in Mysore. The prerogative

right of His Highness to direct the extradition of any criminal in Mysore will not be affected and this will enable the performance of obligations under Article 15 of the Mysore Treaty.

The Bill had been introduced into the Legislative Council in June 1934 and had been referred to a Select Committee. The Report of the Select Committee was considered by the Legislative Council in December 1934 and the Bill as amended by the Select Committee was adopted by the Council. The passing of the Bill was, however, postponed to a subsequent meeting. But no further motion was made in the Legislative Council in respect of the Bill since December 1934. It has now become necessary to reintroduce it in the Council. The Bill now published is in accordance with the recommendation of the Select Committee. A slight addition to Clause 23 has also been made so as to make the provision clear.

No. 2794—L. C., dated Bangalore, 29th November 1937.

Under Rule 8 of the Rules for the conduct of business of the Mysore Legislative Council, the accompanying Bill further to amend the Code of Civil Procedure, 1911, for certain purposes is published for general information with the statement of objects and reasons.

By Order,

A. SUNDARARAJA RAO,

Secretary,

Mysore Legislative Council.

A Bill further to amend the Code of Civil Procedure, 1911, for certain purposes.

Whereas it is expedient further to amend the Code of Civil Procedure, 1911, for the purposes hereinafter appearing; It is hereby enacted as follows:—

1. This Regulation may be called the Code (Short title) of Civil Procedure Amendment Regulation, 193 .

2. In the proviso to sub-section (1) of Section 60 of the Code of Civil Procedure, 1911.—

Amendment of Section 60, Regulation III of 1911.

(*a*) for clauses (*h*) and (*i*), the following clauses shall be substituted, namely :—

"(*h*) the wages of labourers and domestic servants, whether payable in money or in kind; and salary, to the extent of the first fifty rupees and one-half the remainder of such salary;

(*i*) the salary of any public officer or of any servant of a railway company or local authority to the extent of the first fifty rupees and one-half the remainder of such salary;

Provided that, where the whole or any part of the portion of such salary liable to attachment has been under attachment, whether continuously or intermittently for a total period of twenty-four months, such portion shall be exempt from attachment until the expiry of a further period of twelve months and where such attachment has been made in execution of one and the same decree, shall be finally exempt from attachment in execution of that decree;"

(*b*) for clause (*k*), the following clause shall be substituted, namely :—

(*k*) any allowance forming part of the emoluments of any public officer or of any servant of a railway company or local authority which the Government may by Notification in the Official Gazette declare to be exempt from attachment, and any subsistence grant or allowance made to any such officer or servant while under suspension."

(*c*) The explanation at the end shall be renumbered as explanation one and to the explanation so renumbered the following words shall be added :—

"and in the case of salary other than salary of a public officer or a servant of a railway company or local authority the attachable portion thereof is exempt from attachment until it is actually payable," and

(*d*) after the explanation as so renumbered the following explanation shall be added namely :—

"*Explanation 2.*—In clauses (*h*) and (*i*), 'Salary' means the total monthly emoluments, excluding any allowance declared exempt from attachment under the provisions of clause (*k*) derived by a person from his employment whether on duty or on leave."

Retrospective effect.

3. The amendments made by Section 2 shall not have effect in respect of any proceedings arising out of any suit instituted before the first day of June, nineteen hundred and thirty-eight.

Statement of Objects and Reasons.

The Royal Commission on Labour drew attention to the indebtedness prevailing among certain classes of workers and expressed the view that this was due mainly to the credit enjoyed by them and the facilities afforded to creditors by the law relating to the attachment of salaries. With a view to reducing credit, the Commission recommended that wages and salaries of workmen receiving less than Rs. 300 a month should be entirely exempted from attachment. The Government of India after consulting the Provinces came to the conclusion that Rs. 100 was a more suitable limit than Rs. 300 and they also considered that the recommendations made by the Royal Commission which applied to workmen should apply equally to the public officers, servants of local bodies and railway servants as well. Action was accordingly taken by the Government of India to amend Section 60 of the Code of Civil Procedure relating to the attachment of salary and it has been suitably amended by Act IX of 1937.

2. The Committee appointed to examine the question of indebtedness of officials in Mysore have also recommended that in respect of attachment of salary by civil courts the exemption limit may be raised from Rs. 20 to Rs. 50.

3. At present in Mysore the salary wholly exempt from attachment is Rs. 20 and where the salary is Rs. 40 Rs. 20 is exempt and moiety of it in other cases. Having regard to the conditions prevailing in Mysore, Government consider that salary up to and inclusive of Rs. 50

and also one-half of the remainder of such salary should be exempt from attachment. It is accordingly proposed to amend Section 60 of the Code of Civil Procedure on the lines of the amended Act IX of 1937 of British India.

4. The Bill empowers Government to exempt any allowance forming part of the emoluments of any public officer or of any servant of a railway company or local authority and any subsistence grant or allowance made to any such officer or servant while under suspension.

5. It also allows the attachment of leave allowances of these debtors which was hitherto exempt from attachment.

6. It further provides that the amending legislation shall apply to all suits instituted after a certain date. The existing decree and suits will not therefore be affected.

No. 2820—*L. C. dated Bangalore, 7th December* 1937.

Under Standing Order No. 49 of the standing orders for the conduct of business of the Mysore Legislative Council, the following Report of the Select Committee on the Bill to amend the Hindu Law is published for general information.

By Order,
A. SUNDARARAJA RAO,
Secretary,
Mysore Legislative Council.

Report of the Select Committee on the Bill to amend the Hindu Law.

We, the undersigned members of the Select Committee to which the Bill to amend the Hindu Law was referred, have considered the Bill and we are of opinion that it requires no alterations (except a slight verbal change) and that it need not be republished.

(Sd.) S. P. RAJAGOPALACHARI (*Chairman*).
,, K. R. SRINIVASIENGAR.
,, D. H. CHANDRASEKHARAIYA.
,, MIRLE N. LAKSHMINARANAPPA.
,, M. VENKATESA IYENGAR.
,, D. V. GUNDAPPA.

N.B.—*Dharmapravartha* M. L. Nagappa Setty was unable to be present at the meeting.

No. 2821—L. C., Bangalore dated 7th December 1937.

Under Standing Order No. 49 of the standing orders for the conduct of business of the Mysore Legislative Council, the following Report of the Select Committee on the Bill further to amend the Mysore Village Offices Regulation is published for general information.

By Order,

A. SUNDARARAJA RAO,

Secretary,

Mysore Legislative Council.

Report of the Select Committee on the Bill further to amend the Mysore Village Offices Regulation.

We, the undersigned members of the Select Committee to which the Bill further to amend the Mysore Village Offices Regulation, 1908, was referred, have considered the several clauses of the Bill and have now the honour to submit this, our report.

Clause 1-6 B—We consider that it is not necessary for Government to direct the Deputy Commissioner by notification to take action under this section. It would be sufficient if Government issues instructions to the Deputy Commissioner who may notify the fact of resumption. We accordingly recommend that the words "by notification in the Official Gazette" occurring in the section may be omitted and at the end of the section the words "and the Deputy Commissioner shall notify such resumption in the Official Gazette" added.

We are of opinion that at the time of framing the rules, the desirability of framing a rule that minors should not be brought under the operation of section 6 (A) at present may be considered by Government.

The other clauses do not need any change.

As the Bill has not undergone any material change, it need not be republished.

(Sd). S. P. RAJAGOPALACHARI (*Chairman*).
" T. G. RAMA IYER.
" MIRLE N. LAKSHMINARANAPPA.
" K. V. ANANTARAMAN.
" K. R. SRINIVASIENGAR.
" K. R. SUBBANNACHAR.
" D. H. CHANDRASEKHARAIYA, (subject to a note).
" B. T. KESAVIENGAR.
" MOHAMMED ABBAS KHAN.

Note by Mr. D. H. Chandrasekharaiya.

It will be in keeping with the spirit of the proposed law and also for the benefit of the minor holders to provide for relinquishment of village offices by their guardians. In such cases provision may be made in the rules to be framed that any person concerned should within a given time after attaining majority either ratify the relinquishment made on his behalf and receive the amount of compensation payable to him or take up the office himself. This idea may be incorporated in section 6 (A) by the insertion of the words "Or in the case of a minor holder, with the consent of his guardian" between "Office" and "given" in line 2 of the Bill.

There is no enabling section providing for the appointment of stipendiary village officers in the Village Offices Regulation. It is better to introduce a new clause similar to section 14 of the L. R. Code so as to make this Regulation self contained. This new clause may run as follows :—

"6 (E). On the resumption of any village office under Section 6 (A) and Section 6 (B) it shall be lawful to the Deputy Commissioner under the general orders of the Government and of the Revenue Commissioner, to appoint a stipendiary village officer who shall perform all the

duties and be subject to all the liabilities imposed upon him under this Regulation or in any other law for the time being in force and shall hold his office subject to Rules to be prescribed."

If this new clause is accepted another consequential clause will have to be added to Section 22 as follows: "IV (C)—The terms and conditions governing the appointment of stipendiary Village Officers."

(Sd). D. H. CHANDRASEKHARAIYA.

N.B.—Mr H. C. Dasappa has not intimated his approval of the Report.

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PART IV.

Legislative Measures and Rules thereunder.

NOTIFICATIONS.

No. T. 1842—R. T. 10-37-8, dated Bangalore, the 11th December 1937.

The following draft of a rule which the Government propose to make in virtue of the powers vested in them under Section 11 of the Mysore Motor Vehicles Regulation, 1928, and Section 33 of the Mysore Road Traffic and Taxes Regulation, is hereby published for the information of the persons likely to be affected thereby and notice is hereby given that any suggestion or objection received in respect of the said draft on or before the 30th December 1937 will be considered by Government.

DRAFT AMENDMENT.

The following will be added as provisos to Rule 15 (c) of the rules regarding Public Service Motor Vehicles issued with Notification No. P. 3992—Legis. 46-35-17, dated 18th December 1935, and amended from time to time:—

Proviso to Rule 15 (c) of the said rules:—

Children under the age of three years shall not be counted as passengers and shall be carried free and children under the age of twelve years shall be considered as half passengers and charged half fare only.

By Order,

M. VENKATESA IYENGAR,

Secretary to Government,
General Department.

No. L. 5316—Ml. 74-37-17, dated Bangalore, the 14th December 1937.

Under sub-section (4) of Section 228 of the Mysore City Municipalities Regulation, 1933, the following draft of the rules which the Government propose to make under Section 23 (2) (b) of the said Regulation, amending the existing rules regulating the election of the President and Vice-President of a City Municipal Council issued under Government Order No. L. 3957—Ml. 56-24-14, dated 26th November 1924, is published for general information. Any objections or suggestions may be sent for consideration before 31st December 1937 :—

Add the following as sub-rule (d) to Rule 1, the present sub-rule (d) being re-numbered as (e) :—

1. "(*d*) When an elected President or Vice-President vacates Office on the expiry of the term limited to one year under proviso to Section 23 (12), at a meeting of the Council held not later than one month from the date of occurrence of the vacancy."

2. In the proviso to Rule (1), omit the words "during the said period of one or two months as the case may be."

By Order,

P. H. KRISHNA RAO,

Secretary to Government,

Local Self-Government Department.

No. 2824—*L. C., Bangalore dated 9th December* 1937.

Under Rule 8 of the rules for the conduct of business of the Mysore Legislative Council, the accompanying Bill further to amend the Mysore Limitation Regulation, 1911, is published for general information with the statement of objects and reasons.

By Order,

A. SUNDARARAJA RAO,

Secretary,

Mysore Legislative Council.

Bill further to amend the Mysore Limitation Regulation, 1911.

Whereas it is expedient further to amend the Mysore Limitation Regulation, 1911; it is hereby enacted as follows:—

Short title and commencement.

1. (1) This Regulation may be called the Mysore Limitation (Amendment) Regulation, 193 .

(2) It shall come into force on the first day of

Amendment of Section 5.

2. In section 5 of the Mysore Limitation Regulation, 1911 (hereinafter referred to as the said Regulation), for the words "by any enactment or rule" the words "by or under any enactment" shall be substituted.

Amendment of section 10.

3. In section 10 of the said Regulation, the following paragraph shall be inserted, namely:—

"For the purposes of this section any property comprised in a Hindu, Mahomedan or Buddhist religious or charitable endowment shall be deemed to be property vested in trust for a specific purpose and the manager of any such property shall be deemed to be the trustee thereof."

Amendment of Section 29.

4. For section 29 of the said Regulation, the following shall be substituted, namely:—

"29 (1) Nothing in this Regulation shall affect section 25 of the Indian Contract Act, 1872, as in force in Mysore;

(2) where any special or local law prescribes for any suit, appeal or application a period of limitation

different from the period prescribed therefor by the First Schedule, the provisions of section 3 shall apply, as if such period were prescribed therefor in that schedule, and for the purpose of determining any period of limitation prescribed for any suit, appeal or application by any special or local law,

(*a*) the provisions contained in section 4, sections 9 to 18, and section 22 shall apply only in so far as and to the extent to which, they are not expressly excluded by such special or local law; and

(*b*) the remaining provisions of this Regulation shall not apply."

Addition of Articles 48-A and 48-B.

5. In the first division of the First Schedule to the said Regulation, after Article 48, the following articles shall be inserted, namely :—

48-A.	To recover movable property conveyed or bequeathed in trust, deposited or pawned, and afterwards bought from the trustee, depository or pawnee for a valuable consideration.	Three years	When the sale becomes known to the plaintiff.
48-B.	To set aside sale of movable property comprised in a Hindu, Mahomedan or Buddhist religious or charitable endowment, made by a manager thereof for a valuable consideration.	Three years	When the sale becomes known to the plaintiff.

Amendment of Art. 132.

6. To Article 132 in the First Division of the First Schedule to the said Regulation, the following explanation shall be added, namely :—

"*Explanation.*—Advances secured by mortgage by deposit of title deeds shall, for the purposes of this article, be deemed to be money charged upon immovable property."

Amendment of First Schedule.

7. In the First Division of the First Schedule to the said Regulation :—

(*a*) Article 133 shall be omitted.

(*b*) In Article 134, in the third column, for the words "The date of the transfer" the words "when the transfer becomes known to the plaintiff" shall be substituted; and

(*c*) After Article 134, the following articles shall be inserted, namely :—

134-A. To set aside a transfer of immovable property comprised in a Hindu, Mahomedan or Buddhist religious or charitable endowment made by a manager thereof for a valuable consideration.	Twelve years.	When the transfer becomes known to the plaintiff.
134-B. By the manager of a Hindu, Mahomedan or Buddhist religious or charitable endowment, to recover possession of immovable property comprised in the endowment which has been transferred by a previous manager for a valuable consideration.	Twelve years	The death, resignation or removal of the transferor
134-C. By the manager of a Hindu, Mahomedan or Buddhist religious or charitable endowment to recover possession of movable property comprised in the endowment which has been sold by a previous manager for a valuable consideration.	Twelve years	The death, resignation or removal of the seller.

Amendment of Art. 158.

8. In the Third Division of the First Schedule to the said Regulation, in Article 158 in the third column, for the words "when the award is submitted to the court," the words "when the award is filed in court and notice of the filing has been given to the parties" shall be substituted.

Amendment of Art. 166.

9. In the Third Division of the First Schedule to the said Regulation in Article 166 in the first column, the words "or fraud" shall be inserted after the word "irregularity."

Amendment of Arts. 176, 177 and 178.

10. In the Third Division of the First Schedule of the said Regulation, (*a*) in Articles 176 and 177 in the second column for the word "ditto" appearing against each article the words "Ninety days" shall be substituted; and (*b*) in Article 178 in the second column for the word "Ditto" the words "six months" shall be substituted.

Statement of Objects and Reasons.

In the judgment of the High Court in Motiram Lala *vs.* Deputy Commissioner and Muzrai Officer, Mysore

District (40 Mys. H. C. R. 330), it was suggested that section 29 of the Limitation Regulation may be amended as in British India so as to make most of the exceptions and qualifications to section 3 of the Limitation Regulation apply not only to the periods of limitation prescribed by that Regulation but to periods of limitation prescribed by other Regulations. Before the amendment in British India in 1922, section 29 was the same as here. It provided that nothing in the Limitation Act shall affect or alter any period of limitation specially prescribed for any suit, appeal or applications by any special or local law. The interpretation of this provision was the subject of conflicting decisions by High Courts, some holding that the application of the general provisions of Limitation Act would be to affect the period of limitation prescribed under the special law and others holding a contrary view. To remove this conflict, section 29 of the British Indian Act was amended by Act X of 1922. As suggested by the High Court in the judgment cited above, it is proposed to amend section 29 of the Mysore Regulation as in British India (*Vide* clause 4). While amending section 29 opportunity is taken to bring the Mysore Regulation into line with the Act in British India so far as it is suitable.

The chief of such amendments are explained below:—

Clause 2.—The change is verbal and better expresses the intention of the section.

Clause 3.—Recent decisions of courts have taken the view that whenever property is conveyed to a religious or charitable institution, it is not held by the manager thereof as trustee. He holds it only as manager and the property does not vest in him in trust, with the result that suits against him in respect of the property of the endowments of this nature are not governed by section 10 of the Limitation Regulation. Section 10 is therefore amended so as to put property of Hindu and Mahomedan religious endowments on the same footing as other trust property which definitely vest in a trustee.

Clause 5.—The provisions of Article 133 are enacted as Article 48-A with the period of limitation curtailed to three years. Specific provision is made by Article 48-B for the case of a suit to set aside sales of movable property comprised in a religious or charitable endowment where the plaintiff is merely interested in the endowment as a

beneficiary, but is not entitled to possession. The date when the plaintiff obtains knowledge of the sale he seeks to attack is the most suitable date from which limitation should run. If limitation runs from the date of purchase or even from the date of delivery of possession, a dishonest trustee and a collusive transferee might conceal the fact until the period of limitation expires. With this change it is considered that a period of three years in the case of movable property is quite sufficient.

Clause 6.—As it is not definite what period of limitation should govern a suit to recover money due on a mortgage by the deposit of title deeds, provision is now made therefor by fixing a period of 12 years in such cases.

Clause 7.—The notes to clause 5 explain the reason for deleting Article 133 which is enacted as Article 48-A. As the manager of a religious or charitable institution is not a trustee, Articles 133 and 134 as they stand would not be applicable to such institutions. This would also be in consonance with Order XXI, Rule 90 of C. P. C. in which an application to set aside a sale on the ground of fraud is placed on the same footing as an application to set aside a sale on the ground of material irregularity. It is proposed to bring religious or charitable endowments within the scope of the principle of Articles 133 and 134. Suits by persons interested in the endowment to set aside alienations made by the manager are provided for in Article 48-B in respect of movable property, and in Article 134-A for immovable property. In the case of suits by the manager himself attacking transfers made by a predecessor for valuable consideration and claiming to recover the property, provision is made by special Articles 134-B and 134-C. For reasons stated in the notes to clause 5, the starting point in Articles 134 and 134-A is proposed to be taken as the date of the plaintiff's knowledge of the transfer. It is also proposed to take as the starting point for Articles 134-B and 134-C the death, resignation or removal of the transferring manager. The period of limitation of 12 years which is normal in all similar cases is adopted for Articles 134-A, 145-B and 134-C.

Clause 8.—Reading Article 158 along with paragraph 10, Second Schedule, C. P. C., it is desirable to make it definite that time will run from the day on which the parties receive notice that the award has been filed in court.

Clause 9.—In interpreting this article, decisions are not uniform whether fraud in publishing or conducting a sale would come within the scope of this article or not. It is proposed to make it clear that an application to set aside a sale on the ground of fraud in publishing or conducting a sale is governed by Article 166.

Clause 10.—The time now allowed to bring the legal representative of a deceased party on record is six months. This is considered too long and it is proposed to reduce it to ninety days. This will help in reducing the delay in the disposal of suits. The reduction will not affect parties who are diligent. The apprehension that the change will prove a hardship to parties who will find it difficult to ascertain the address of the legal representatives, has no force. What is required is that an application mentioning the legal representative should be filed in court. Delay in the service of summons owing to difficulty in ascertaining the address is sufficiently protected under the Civil Procedure Code.

No. 2825—*L. C., Bangalore dated 9th December* 1937.

Under Rule 8 of the rules for the conduct of business of the Mysore Legislative Council, the accompanying Bill to amend the Transfer of Property Regulation for certain purposes is published for general information with the statement of objects and reasons.

By Order,

A. SUNDARARAJA RAO,

Secretary,

Mysore Legislative Council.

Bill to amend the Transfer of Property Regulation for certain purposes.

Short title and commencement.

Whereas it is expedient to amend the Transfer of Property Regulation, 1918, for the purposes hereinafter appearing; it is hereby enacted as follows :—

1. (1) This Regulation may be called the Transfer of Property (Amendment) Regulation, 193 .

(2) It shall come into force on the first day of .....

2. In section 3 of the Transfer of Property Regulation (hereinafter referred to as the said Regulation), for the last paragraph containing the definition of "notice," the following shall be substituted, namely :— Amendment of section 3.

"a person is said to have notice" of a fact when he actually knows that fact, or when, but for wilful abstention from an inquiry or search which he ought to have made, or gross negligence, he would have known it.

Explanation I.—Where any transaction relating to immovable property is required by law to be and has been effected by a registered instrument, any person acquiring such property or any part of or share or interest in, such property shall be deemed to have notice of such instrument as from the date of registration or, if the instrument has been registered under sub-section (2) of section 30 of the Mysore Registration Regulation, 1903, from the earliest date on which a memorandum there of has been filed by any Sub-Registrar under section 66 of that Regulation:

Provided that—

(1) the instrument has been registered and its registration completed in the manner prescribed by the Mysore Registration Regulation, 1903, and the rules made thereunder,

(2) the instrument has been duly entered or filed, as the case may be, in the books kept under section 51 of that Regulation, and

(3) the particulars regarding the transaction to which the instrument relates have been correctly entered in the indexes kept under section 55 of that Regulation.

Explanation II.—Any person acquiring any immovable property or any share or interest in any such property shall be deemed to have notice of the title, if any, of any person who is for the time being in actual possession thereof.

Explanation III.—A person shall be deemed to have had notice of any fact if his agent acquires notice thereof whilst acting on his behalf in the course of business to which that fact is material :

Provided that, if the agent fraudulently conceals the fact, the principal shall not be charged with notice

thereof as against any person who was a party to or otherwise cognizant of the fraud."

Amendment of section 5.

3. In section 5 of the said Regulation, after the words "*or to himself*" the words "*or to himself*" shall be inserted; and to the same section the following paragraph shall be added, namely:

"In this section 'living person' includes a company or association or body of individuals, whether incorporated or not, but nothing herein contained shall affect any law for the time being in force relating to transfer of property to or by companies, associations or bodies of individuals."

Amendment of section 6.

4. In section 6 of the said Regulation, after clause (*d*) the following clause shall be inserted, namely:—

"(dd) A right to future maintenance, in whatsoever manner arising, secured or determined, cannot be transferred."

Amendment of section 11.

5. For the second paragraph of section 11 of the said Regulation beginning with the words "nothing in this section" and ending with the words "in a particular manner" the following shall be substituted, namely:—

"Where any such direction has been made in respect of one piece of immovable property for the purpose of securing the beneficial enjoyment of another piece of such property, nothing in this section shall be deemed to affect any right which the transferor may have to enforce such direction or any remedy which he may have in respect of a breach thereof."

Amendment of section 15.

6. In section 15 of the said Regulation, for the words "as regards the whole class," the following words shall be substituted, namely:—

"in regard to those persons only and not in regard to the whole class."

Substitution of new sections for sections 16, 17 and 18.

7. For sections 16, 17 and 18 of the said Regulation, the following sections shall be substituted, namely:—

Transfer to take effect on failure of prior interest.

"16. Where by reason of any of the rules contained in sections 13 and 14, an interest created for the benefit of a person or of a class of persons fails in regard to such person or the whole of such class, any interest created in the same transaction and intended to take effect after or upon failure of such prior interest also fails.

"17. (1) Where the terms of a transfer of property direct that the income arising from the property shall be accumulated either wholly or in part during a period longer than— Direction for accumulation.

(a) the life of the transferor, or

(b) a period of eighteen years from the date of the transfer,

such direction shall, save as hereinafter provided, be void to the extent to which the period during which the accumulation is directed exceeds the longer of the aforesaid periods, and at the end of such last-mentioned period the property and the income thereof shall be disposed of as if the period during which the accumulation has been directed to be made had elapsed.

(2) This section shall not affect any direction for accumulation for the purpose of—

(i) the payment of the debts of the transferor or any other person taking any interest under the transfer, or

(ii) the provision of portions for children or remoter issue of the transferor or of any other person taking any interest under the transfer, or

(iii) the preservation or maintenance of the property transferred;

and such direction may be made accordingly.

"18. The restrictions in sections 14, 16 and 17 shall not apply in the case of a transfer of property for the benefit of the public in the advancement of religion, knowledge, commerce, health, safety, or any other object beneficial to mankind." Transfer in perpetuity for benefit of public.

8. In section 39 of the said Regulation— Amendment of section 39.

(a) the words "with the intention of defeating such right" shall be omitted, and for the words "of such intention" the word "thereof" shall be substituted; and

(b) the *illustration* shall be omitted.

9. In section 40 of the said Regulation for the words "of the latter property or to compel its enjoyment in a particular manner," the words "in a particular manner of the latter property" shall be substituted. Amendment of section 40.

Amendment of section 43.

10. In section 43 of the said Regulation, after the word "person" the words "fraudulently or" shall be inserted.

Amendment of section 52.

11. (1) In section 52 of the said Regulation—

(a) for the words "active prosecution" the word "pendency" shall be substituted;

(b) for the words "a contentious" the word "any" shall be substituted; and

(c) after the words "suit or proceeding," where they occur for the first time, the words "which is not collusive and" shall be inserted.

(2) To the same section the following *Explanation* shall be added, namely :—

"*Explanation.*—For the purposes of this section, the pendency of a suit or proceeding shall be deemed to commence from the date of the presentation of the plaint or the institution of the proceeding in a Court of competent jurisdiction, and to continue until the suit or proceeding has been disposed of by a final decree or order and complete satisfaction or discharge of such decree or order has been obtained, or has become unobtainable by reason of the expiration of any period of limitation prescribed for the execution thereof by any law for the time being in force."

Substitution of new section for section 53.

Fraudulent transfer.

12. For section 53 of the said Regulation, the following section shall be substituted, namely :—

"53. (1) Every transfer of immovable property made with intent to defeat or delay the creditors of the transferor shall be voidable at the option of any creditor so defeated or delayed.

Nothing in this sub-section shall impair the rights of a transferee in good faith and for consideration.

Nothing in this sub-section shall affect any law for the time being in force relating to insolvency.

A suit instituted by a creditor (which term includes a decree-holder whether he has or has not applied for execution of his decree) to avoid a transfer on the ground that it has been made with intent to defeat or delay the creditors of the transferor, shall be instituted on behalf of, or for the benefit of, all the creditors.

(2) Every transfer of immovable property made without consideration with intent to defraud a subsequent transferee shall be voidable at the option of such transferee.

For the purposes of this sub-section, no transfer made without consideration shall be deemed to have been made with intent to defraud by reason only that a subsequent transfer for consideration was made."

13. After section 53 of the said Regulation, the following section shall be inserted, namely :— Insertion of new section 53-A.

"53-A. Where any person contracts to transfer for consideration any immovable property by writing signed by him or on his behalf from which the terms necessary to constitute the transfer can be ascertained with reasonable certainty, Part Performance.

and the transferee has, in part performance of the contract, taken possession of the property or any part thereof, or the transferee being already in possession, continues in possession in part performance of the contract and has done some act in furtherance of the contract,

and the transferee has performed or is willing to perform his part of the contract,

then, notwithstanding that the contract, though required to be registered, has not been registered, or, where there is an instrument of transfer, that the transfer has not been completed in the manner prescribed therefor by the law for the time being in force, the transferor or any person claiming under him shall be debarred from enforcing against the transferee and persons claiming under him any right in respect of the property of which the transferee has taken or continued in possession, other than a right expressly provided by the terms of the contract;

Provided that nothing in this section shall affect the rights of a transferee for consideration who has no notice of the contract or of the part performance thereof."

14. In section 55 of the said Regulation— Amendment of section 55.

(*a*) in sub-clause (a) of clause (1), after the word "property" the words "or in the seller's title thereto" shall be inserted;

(*b*) in sub-clause (b) of clause (4), after the word "buyer," where it occurs for the second time, the words "any transferee without consideration or any transferee with notice of the non-payment," shall be inserted; and after the words "on such amount or part" the words "from the date on which possession has been delivered" shall be added; and

(c) in sub-clause (b) of clause (6), the words "with notice of the payment" shall be omitted.

Substitution of new section for section 56.

15. For section 56 of the said Regulation, the following shall be substituted, namely :—

Marshalling by subsequent purchaser.

"56. If the owner of two or more properties mortgages them to one person and then sells one or more of the properties to another person, the buyer is, in the absence of a contract to the contrary, entitled to have the mortgage-debt satisfied out of the property or properties not sold to him, so far as the same will extend, but not so far as to prejudice the rights of the mortgagee or persons claiming under him or of any other person who has for consideration acquired an interest in any of the properties."

Amendment of section 58.

16. In section 58 of the said Regulation, (a) to clause (c) the following proviso shall be added, namely :—

"Provided that no such transaction shall be deemed to be a mortgage, unless the condition is embodied in the document which effects or purports to effect the sale;"

(b) in clause (d)—

(i) after the words "Where the mortgagor delivers possession" the words "or expressly or by implication binds himself to deliver possession" shall be inserted;

(ii) for the words "and to appropriate them" the words "or any part of such rents and profits and to appropriate the same" shall be substituted; and

(iii) after the words "or partly in lieu of interest," for the word "and" the word "or" shall be substituted; and

(c) after clause (e) the following clauses shall be added, namely :—

"(f) The transaction is called a mortgage by deposit of title deeds where a person, in any area to which this provision may be extended by the Government by notification in the Official Gazette, delivers to a Bank or its authorized agent documents of title relating to immovable property with intent to create a security thereon and accompanied by a memorandum in writing signed by the debtor specifying such property and the amount of credit given or agreed to be given by the Bank on the security

of such property, provided that a copy of such memorandum under the seal of the Bank and the signature of its authorised agent is delivered or transmitted by registered post within ten days of the delivery to the bank as aforesaid of the memorandum, to every registering officer within whose district or sub-district the whole or any portion of such property is situated, or where a special registering officer is appointed or designated by Government in this behalf, to such registering officer and such registering officer shall thereupon file the copy in his Book No. 1.

Explanation.—"Bank" in this clause means an association or company with limited liability formed principally for the purpose of engaging on the business of banking and registered under the provisions of the law relating to companies for the time being in force in Mysore or in British India or in any other Indian State which may be notified by the Government in the Official Gazette in this behalf.

(*g*) A mortgage which is not a simple mortgage, a mortgage by conditional sale, an usufructuary mortgage, an English mortgage or a mortgage by deposit of title-deeds within the meaning of this section is called an anomalous mortgage."

Amendment of section 59.

17. In section 59 of the said Regulation—

(*a*) after the words "a mortgage" the words "other than a mortgage by deposit of title deeds" shall be inserted and

(*b*) the second paragraph and the *Explanation* shall be omitted.

Insertion of new section 59-A.

18. After section 59 of the said Regulation, the following section shall be inserted, namely:—

References to mortgagors and mortgagees to include persons deriving title from them.

"59-A. Unless otherwise expressly provided, reference in this Chapter to mortgagors and mortgagees shall be deemed to include references to persons deriving title from them respectively."

Amendment of section 60.

19. In section 60 of the said Regulation,

(*a*) for the word "payable" the word "due" shall be substituted;

(*b*) for the words "the mortgage-deed, if any, to the mortgagor" the following words shall be substituted, namely:—

"to the mortgagor the mortgage-deed and all documents relating to the mortgaged property which are in the possession or power of the mortgagee;"

(*c*) for the word "order" the word "decree" shall be substituted; and

(*d*) after the words "remaining due on the mortgage, except" the word "only" shall be inserted.

Insertion of new sections 60-A and 60-B.

20. After section 60 of the said Regulation, the following sections shall be inserted, namely:—

Obligation to transfer to third party instead of re-transference to mortgagor.

"60-A. (1) Where a mortgagor is entitled to redemption, then, on the fulfilment of any conditions on the fulfilment of which he would be entitled to require a re-transfer, he may require the mortgagee, instead of re-transferring the property, to assign the mortgage-debt and transfer the mortgaged property to such third person as the mortgagor may direct; and the mortgagee shall be bound to assign and transfer accordingly.

(2) The rights conferred by this section belong to and may be enforced by the mortgagor or by any encumbrancer notwithstanding an intermediate encumbrance; but the requisition of any encumbrancer shall prevail over a requisition of the mortgagor and, as between encumbrancers the requisition of a prior encumbrancer shall prevail over that of a subsequent encumbrancer.

(3) The provisions of this section do not apply in the case of a mortgagee who is or has been in possession.

Right to inspection and production of documents.

60-B. A mortgagor, as long as his right of redemption subsists, shall be entitled at all reasonable times, at his request and at his own cost and on payment of the mortgagee's costs and expenses in this behalf, to inspect and make copies or abstracts of, or extracts from, documents of title relating to the mortgaged property which are in the custody or power of the mortgagee."

Substitution of new section for section 61.

21. For section 61 of the said Regulation the following section shall be substituted, namely:—

Right to redeem separately or simultaneously.

"61. A mortgagor who has executed two or more mortgages in favour of the same mortgagee shall, in the absence of a contract to the contrary when the principal money of any two or more of the mortgages has become due, be entitled to redeem any one such mortgage

separately, or any two or more of such mortgages together."

22. In section 62 of the said Regulation— Amendment of section 62.

(a) after the word "property," where it first occurs, the words "together with the mortgage deed and all documents relating to the mortgaged property which are in the possession or power of the mortgagee" shall be inserted;

(b) for the words "the interest of the principal money" the words "or any part thereof a part only of the mortgage money," shall be substituted; and

(c) for the words "the principal money," where they occur for the second time, the words "the mortgage-money or the balance thereof" shall be substituted.

23. In section 63 of the said Regulation, for the words "at the same rate of interest" the words "with interest at the same rate as is payable on the principal, or where no such rate is fixed, at the rate of nine per cent per annum" shall be substituted. Amendment of section 63.

24. After section 63 of the said Regulation, the following section shall be inserted, namely:— Insertion of new section 63-A.

"63-A. (1) Where mortgaged property in possession of the mortgagee has, during the continuance of the mortgage, been improved, the mortgagor, upon redemption, shall, in the absence of a contract to the contrary, be entitled to the improvement; and the mortgagor shall not, save only in cases provided for in sub-section (2), be liable to pay the cost thereof. Improvements to mortgaged property.

(2) Where any such improvement was effected at the cost of the mortgagee and was necessary to preserve the property from destruction or deterioration or was necessary to prevent the security from becoming insufficient, or was made in compliance with the lawful order of any public servant or public authority, the mortgagor shall, in the absence of a contract to the contrary, be liable to pay the proper cost thereof as an addition to the principal money with interest at the same rate as is payable on the principal, or where no such rate is fixed, at the rate of nine per cent per annum, and the profits, if any, accruing by reason of the improvement shall be credited to the mortgagor.

(3) Notwithstanding anything in sub-section (1) a mortgagee may remove at any time whilst he is in possession of the property mortgaged, but not afterwards, all

things which he has attached to the earth, provided he leaves the property in the state in which he received it."

Amendment of section 64.

25. In section 64 of the said Regulation, the words "for a term of years" shall be omitted.

Amendment of section 65.

26. In section 65 of the said Regulation—

(*a*) in clause (d), the words "for a term of years" shall be omitted; and

(*b*) the words "Nothing in clause (c), or in clause (d), so far as it relates to the payment of future rent, applies in the case of an usufructuary mortgage" shall be omitted.

Insertion of new section 65 A.

27. After section 65 of the said Regulation, the following section shall be inserted, namely:—

Mortgagor's power to lease.

65-A. (1) Subject to the provisions of sub-section (2) a mortgagor, while lawfully in possession of the mortgaged property, shall have power to make leases thereof which shall be binding on the mortgagee.

(2) (*a*) Every such lease shall be such as would be made in the ordinary course of management of the property concerned, and in accordance with any local law, custom or usage.

(*b*) Every such lease shall reserve the best rent that can reasonably be obtained, and no premium shall be paid or promised and no rent shall be payable in advance.

(*c*) No such lease shall contain a covenant for renewal.

(*d*) Every such lease shall take effect from a date not later than six months from the date on which it is made.

(*e*) In the case of a lease of buildings, whether leased with or without the land on which they stand, the duration of the lease shall in no case exceed three years and the lease shall contain a covenant for payment of the rent and a condition of re-entry on the rent not being paid within a time therein specified.

(3) The provisions of sub-section (1) apply only if and as far as a contrary intention is not expressed in the mortgage-deed; and the provisions of sub-section (2) may be varied or extended by the mortgage-deed, and as so varied and extended, shall, as far as may be, operate in like manner and with all like incidents, effects and consequences, as if such variations or extensions were contained in that sub-section."

28. In section 67 of the said Regulation,— Amendment of section 67.

(*a*) for the word "payable" the word "due" shall be substituted;

(*b*) for the words "an order," wherever they occur, the words "a decree" shall be substituted; and

(*c*) for clause (*a*) the following clause shall be substituted, namely :—

"(*a*) to authorize any mortgagee, other than a mortgagee by conditional sale or a mortgagee under an anomalous mortgage by the terms of which he is entitled to foreclose, to institute a suit for foreclosure, or an usufructuary mortgagee as such, where he is authorized to appropriate the rents and profits or any part of such grants and profits in payment of the principal money or partly in lieu of interest or partly in payment of the principal money, or a mortgagee by conditional sale as such to institute a suit for sale; or."

29. After section 67 of the said Regulation, the following section shall be inserted, namely :— Insertion of new section 67A.

"67A. A mortgagee who holds two or more mortgages executed by the same mortgagor in respect of each of which he has a right to obtain the same kind of decree under section 67, and who sues to obtain such decree on any one of the mortgages, shall, in the absence of a contract to the contrary, be bound to sue on all the mortgages in respect of which the mortgage-money has become due." Mortgagee when bound to bring one suit on several mortgages.

30. For section 68 of the said Regulation, the following section shall be substituted, namely :— Substitution of new section for section 68.

"68. (1) The mortgagee has a right to sue for the mortgage money in the following cases and no others, namely :— Right to sue for mortgage money.

(*a*) where the mortgagor binds himself to repay the same;

(*b*) where, by any cause other than the wrongful act or default of the mortgagor or mortgagee, the mortgaged property is wholly or partially destroyed or the security is rendered insufficient within the meaning of section 66, and the mortgagee has given the mortgagor a reasonable opportunity of providing further security enough to render the whole security sufficient, and the mortgagor has failed to do so;

(c) where the mortgagee is deprived of the whole or part of his security by or in consequence of the wrongful act or default of the mortgagor;

(d) where, the mortgagee being entitled to possession of the mortgaged property, the mortgagor fails to deliver the same to him, or to secure the possession thereof to him without disturbance by the mortgagor or any person claiming under a title superior to that of the mortgagor;

Provided that, in the case referred to in clause (a), a transferee from the mortgagor or from his legal representative shall not be liable to be sued for the mortgage-money.

(2) Where a suit is brought under clause (a) or clause (b) of sub-section (1), the Court may, at its discretion, stay the suit and all proceedings therein, notwithstanding any contract to the contrary, until the mortgagee has exhausted all his available remedies against the mortgaged property or what remains of it, unless the mortgagee abandons his security and, if necessary, retransfers the mortgaged property."

Amendment of section 71.

31. In section 71 of the said Regulation, the words "for a term of years" shall be omitted.

Amendment of section 72.

32. In section 72 of the said Regulation:—

(a) for the words "When, during the continuance of the mortgage, the mortgagee takes possession of the mortgaged property, he" the words "A mortgagee" shall be substituted.

(b) clause (a) shall be omitted;

(c) in clause (b), for the words "its preservation" the words "the preservation of the mortgaged property" shall be substituted;

(d) after the words "nine per cent per annum," the following Proviso shall be inserted, namely:—

"Provided that the expenditure of money by the mortgagee under clause (b) or clause (c) shall not be deemed to be necessary unless the mortgagor has been called upon and has failed to take proper and timely steps to preserve the property or to support the title." and

(e) for the words "a charge on the mortgaged property, in addition to the principal money, with the same priority and with interst at the

same rate" the following shall be substituted, namely:—

"added to the principal money with interest at the same rate as is payable on the principal money, or, where no such rate is fixed, at the rate of nine per cent, per annum."

33. For section 73 of the said Regulation, the following section shall be substituted, namely:— Substitution of new section for section 73.

"73. (1) Where the mortgaged property or any part thereof or any interest therein is sold owing to failure to pay arrears of revenue or other charges of a public nature or rent due in respect of such property, and such failure did not arise from any default of the mortgagee, the mortgagee shall be entitled to claim payment of the mortgage-money, in whole or in part, out of any surplus of the sale proceeds remaining after payment of the arrears and of all charges and deductions directed by law.

(2) Where the mortgaged property or any part thereof or any interest therein is acquired under the Land Acquisition Regulation, 1894, or any other enactment for the time being in force providing for the compulsory acquisition of immovable property, the mortgagee shall be entitled to claim payment of the mortgage-money, in whole or in part, out of the amount due to the mortgagor as compensation,

(3) Such claims shall prevail against all other claims except those of prior encumbrances, and may be enforced notwithstanding that the principal money on the mortgage has not become due."

34. Section 74 and section 75 of the said Regulation shall be omitted. Omission of sections 74 and 75.

35. In section 76 of the said Regulation:— Amendment of section 76.

(*a*) in clause (*c*), after the words "charges of a public nature" the words "and all rent" shall be inserted;

(*b*) in clause (*h*), after the words "deducting the expenses" the words "properly incurred for the management of the property and the collection of rents and profits and the other expenses" shall be inserted, and the words "on the principal-money" shall be omitted; and

(*c*) in clause (*i*), the word "gross" shall be omitted.

Omission of section 80.

36. Section 80 of the said Regulation shall be omitted.

Substitution of new section for section 81.

37. For sub-section (i) of section 81 of the said Regulation, the following section shall be substituted, namely:—

"81. (1) If the owner of two or more properties mortgages them to one person and then mortgages one or more of the properties to another person, the subsequent mortgagee is, in the absence of a contract to the contrary, entitled to have the prior mortgage-debt satisifed out of the property or properties not mortgaged to him, so far as the same will extend, but not so as to prejudice the rights of the prior mortgagee or of any other person who has for consideration acquired an interest in any of the properties."

Amendment of section 82.

38. In section 82 of the said Regulation:—

(a) for the first paragraph beginning with the words "Where several properties," and ending with the words "date of the mortgage" the following shall be substituted, namely:—

"Where property subject to a mortgage belongs to two or more persons having distinct and separate rights of ownership therein, the different shares in or parts of such property owned by such persons are, in the absence of a contract to the contrary, liable to contribute rateably to the debt secured by the mortgage, and, for the purpose of determining the rate at which each such share or part shall contribute, the value thereof shall be deemed to be its value at the date of the mortgage after deduction of the amount of any other mortgage or charge to which it may have been subject on that date" and

(b) in the third paragraph, for the word "second" the word "subsequent" shall be substituted.

Amendment of section 83.

39. In section 83 of the said Regulation:—

(a) for the words "has become payable" the words "payable in respect of any mortgage has become due" shall be substituted;

(b) for the words "if then in his possession or power" the words "and all documents in his possession or power relating to the mortgaged property" shall be substituted;

(c) after the word "mortgage-deed," where it occurs for the second time, the words "and all such other documents" shall be inserted; and

(*d*) the following paragraph shall be added after the words "such other person as aforesaid," namely :—

"Where the mortgagee is in possession of the mortgaged property, the Court shall, before paying to him the amount so deposited, direct him to deliver possession thereof to the mortgagor and at the cost of the mortgagor either to retransfer the mortgaged property to the mortgagor or to such third person as the mortgagor may direct or to execute and (where the mortgage has been effected by a registered instrument) have registered an acknowledgment in writing that any right in derogation of the mortgagor's interest transferred to the mortgagee has been extinguished."

Amendment of section 84.

40. In section 84 of the said Regulation :—

(*a*) after the words "from the date of the tender or" the words "in a case of a deposit, where no previous tender of such amount has been made," shall be inserted ;

(*b*) for the words "as the case may be" the following shall be substituted, namely :—

"and the notice required by section 83 has been served on the mortgagee :

"Provided that, where the mortgagor has deposited such amount without having made a previous tender thereof and has subsequently withdrawn the same or any part thereof interest on the principal money shall be payable from the date of such withdrawal ;" and

(*c*) after the words "tender of the mortgage-money" the words "and such notice has not been given before the making of the tender or deposit, as the case may be" shall be added.

Substitution of new section for section 91.

41. For section 91 of the said Regulation the following section shall be substituted, namely :—

Persons who may sue for redemption.

"91. Besides the mortgagor, any of the following persons may redeem, or institute a suit for redemption of, the mortgaged property, namely :—

(*a*) any person (other than the mortgagee of the interest sought to be redeemed) who has any interest in, or charge upon, the property mortgaged or in or upon the right to redeem the same ;

(*b*) any surety for the payment of the mortgage-debt or any part thereof; or

(*c*) any creditor of the mortgagor who has in a suit for the administration of his estate obtained a decree for sale of the mortgaged property."

Insertion of new sections 92, 93 and 94.

42. After section 91 of the said Regulation, the following sections shall be inserted, namely :—

Subrogation.

"92. Any of the persons referred to in section 91 (other than the mortgagor) and any co-mortgagor shall, on redeeming property subject to the mortgage, have, so far as regards redemption, foreclosure or sale of such property, the same rights as the mortgagee whose mortgage he redeems may have against the mortgagor or any other mortgagee.

The right conferred by this section is called the right of subrogation, and a person acquiring the same is said to be subrogated to the rights of the mortgagee whose mortgage he redeems.

A person who has advanced to a mortgagor money with which the mortgage has been redeemed shall be subrogated to the rights of the mortgagee whose mortgage has been redeemed, if the mortgagor has by a registered instrument agreed that such persons shall be so subrogated.

Nothing in this section shall be deemed to confer a right of subrogation on any person unless the mortgage in respect of which the right is claimed has been redeemed in full.

Prohibition of tacking.

93. No mortgagee paying off a prior mortgage, whether with or without notice of an intermediate mortgage, shall thereby acquire any priority in respect of his original security; and except in the case provided for by section 79, no mortgagee making a subsequent advance to the mortgagor, whether with or without notice of an intermediate mortgage, shall thereby acquire any priority in respect of his security for such subsequent advance.

Rights of mesne mortgagee.

94. Where a property is mortgaged for successive debts to successive mortgagees, a mesne mortgagee has the same rights against mortgagees posterior to himself as he has against the mortgagor."

Substitution of new sections for section 95.

43. For section 95 of the said Regulation the following sections shall be substituted, namely :—

"95. Where one of several mortgagors redeems the mortgaged property, he shall, in enforcing his right of subrogation under section 92 against his co-mortgagors, be entitled to add to the mortgage-money recoverable from them such proportion of the expenses properly incurred in such redemption as is attributable to their share in the property.

Right of redeeming co-mortgagor to expenses.

96. The provisions hereinbefore contained which apply to a simple mortgage shall, so far as may be, apply to a mortgage by deposit of title-deeds."

Mortgage by deposit of title-deeds.

44. In section 98 of the said Regulation, for the words "a mortgage not being a simple mortgage, a mortgage by conditional sale, an usufructuary mortgage or an English mortgage or a combination of the first and third, or the second and third, of such forms," the words "an anomalous mortgage" shall be substituted.

Amendment of section 98.

45. In section 100 of the said Regulation,

Amendment of section 100.

(*a*) for the words "as to a mortgagor shall, so far as may be, apply to the owner of such property, and the provisions of sections 81 and 82 shall, so far as may be, apply to the person having such charge" the words "which apply to a simple mortgage shall, so far as may be, apply to such charge," shall be substituted; and

(*b*) after the words "in the execution of his trust" the following words shall be added, namely:—

"and save as otherwise expressly provided by any law for the time being in force, no charge shall be enforced against any property in the hands of a person to whom such property has been transferred for consideration and without notice of the charge."

46. For section 101 of the said Regulation, the following section shall be substituted, namely:—

Substitution of new section for section 101.

"101. Any mortgagee of, or person having a charge upon immovable property, or any transferee from such mortgagee or charge-holder, may purchase or otherwise acquire the rights in the property of the mortgagor or owner, as the case may be, without thereby causing the mortgage or charge to be merged as between himself and any subsequent mortgagee of, or person having a subsequent charge upon, the same property; and no such subsequent mortgagee or charge-holder shall be entitled to foreclose or sell such property without redeeming the

No merger in case of subsequent encumbrance.

prior mortgage or charge, or otherwise than subject thereto."

Amendment of section 102

47. In section 102 of the said Regulation,

(*a*) for the words "Where the person or agent on whom such notice should be served cannot be found in the said district, or is unknown" the words "Where no person or agent on whom such notice should be served can be found or is known," shall be substituted;

(*b*) after the words "and any notice served in compliance with such direction shall be deemed sufficient" the following proviso shall be inserted, namely :—

"Provided that, in the case of a notice required by section 83, in the case of a deposit, the application shall be made to the court in which the deposit has been made."

(*c*) for the words "Where the person or agent to whom such tender should be made cannot be found within the said district, or is unknown" the words "Where no person or agent to whom such tender should be made can be found or is known," shall be substituted; and

(*d*) for the words "in such Court as last aforesaid" the words "in any Court in which a suit might be brought for redemption of the mortgaged property" shall be substituted.

Amendment of section 106.

48. In section 106 of the said Regulation, for the words "tendered or delivered either personally to the party who is intended to be bound by it," the following shall be substituted, namely :—

"either be sent by post to the party who is intended to be bound by it or be tendered or delivered personally to such party."

Amendment of section 107.

49. In section 107 of the said Regulation, after the words "by delivery of possession", where they first occur, the following paragraph shall be inserted, namely :—

"Where a lease of immovable property is made by a registered instrument, such instrument or, where there are more instruments than one, each such instrument shall be executed by both the lessor and the lessee."

Amendment of section 108.

50. In section 108 of the said Regulation.—

(*a*) in clause (*h*)

(*i*) after the words "the lessee may" the words "even after the determination of the lease" shall be inserted; and

(*ii*) for the words "during the continuance of the lease," the words "whilst he is in possession of the property leased but not afterwards," shall be substituted; and

(*b*) in clause (*o*), after the words "or fell" the words "or sell" shall be inserted, and after the words "or damage buildings," the words "belonging to the lessor or" shall be inserted.

Amendment of section 111.

51. In clause (g) of section 111 of the said Regulation,—

(*a*) the words "or the lease shall become void" shall be omitted;

(*b*) after the words "title in himself" the following shall be inserted, namely:—

"or (3) the lessee is adjudicated an insolvent and the lease provides that the lessor may re-enter on the happening of such event";

(*c*) for the words "either case" the words "any of these cases" shall be substituted; and

(*d*) for the words "does some act showing" the words "give notice in writing to the lessee of" shall be substituted.

Insertion of new section 114 A.

52. After section 114 of the said Regulation, the following section shall be inserted, namely:—

Relief against forfeiture in certain other cases.

"114-A. Where a lease of immovable property has been determined by forfeiture for a breach of an express condition which provides that on breach thereof the lessor may re-enter, no suit for ejectment shall lie unless and until the lessor has served on the lessee a notice in writing—

(*a*) specifying the particular breach complained of; and

(*b*) if the breach is capable of remedy, requiring the lessee to remedy the breach;

and the lessee fails within a reasonable time from the date of the service of the notice, to remedy the breach, if it is capable of remedy.

Nothing in this section shall apply to an express condition against the assigning, under-letting, parting with the possession, or disposing of the property leased, or to an express condition relating to forfeiture in case of non-payment of rent."

Substitution of new section for section 119

53. For section 119 of the said Regulation, the following section shall be substituted, namely:—

Right of party deprived of thing received in exchange.

"119. If any party to an exchange or any person claiming through or under such party is by reason of any defect in the title of the other party deprived of the thing or any part of the thing received by him in exchange, then, unless a contrary intention appears from the terms of the exchange, such other party is liable to him or any person claiming through or under him for loss caused thereby, or at the option of the person so deprived, for the return of the thing transferred, if still in the possession of such other party or his legal representative or a transferee from him without consideration."

Amendment of section 128.

54. In section 128 of the said Regulation, after the words "debts due by" the words "and liabilities of" shall be inserted.

Amendment of section 130.

55. In section 130 of the said Regulation :—

after the words "The transfer of an amicable claim" the words "whether with or without consideration" shall be inserted.

Saving clause.

56. Nothing in any of the following provisions of this Regulation namely sections 2, 6, 7, 12, 15, 16, 24, 27, clause (c) of section 28, sections 29, 30, 41, 47, 49, 51, 52, 53 and 55 shall be deemed in any way to affect—

(a) the terms of incidents of any transfer of property made or effected before the first day of.....

(b) the validity, invalidity, effect or consequences of anything already done or suffered before the aforesaid date,

(c) any right, title, obligation or liability already acquired, accrued or incurred before such date, or

(d) any remedy or proceeding in respect of such right, title, obligation or liability and nothing in any other provision of this Regulation shall render invalid or in any way affect anything already done before the first day of.....in any proceeding pending in a Court on that date; and any such remedy and any such proceeding as is herein referred to may be enforced, instituted or continued, as the case may be, as if this Regulation had not been passed.

Statement of Objects and Reasons.

The Transfer of Property Regulation in Mysore was passed in 1918 on the lines of the British Indian Act of 1882 and all amendments passed there up to 1918 were

taken into consideration. The British Indian Act has subsequently been amended largely by Act XX of 1929 which has made substantial changes in many sections and has set at rest points on which there have been conflicting decisions. It is considered desirable to adopt these amendments as some of them are beneficial and it is convenient not to have a law in this respect different from that in British India unless dictated by local conditions. A bill has accordingly been drafted.

In the bill it has been sought to remedy defects which have led to inconvenience or anomalous results and to incorporate new principles of importance which have been judicially recognised.

Special attention is, however, drawn to the following principles included in the bill :—

(1) Provision is made so that registration will amount to notice of the document registered:

(2) Constructive notice to an agent of a fact material to the course of business in which the agent is engaged will be notice of that fact to the principal. The agent must not have fraudulently concealed the fact from his principal:

(3) The validity of transfers in favour of a class, when some members of that class are unable to take, is recognised so that they may enure to the benefit of those members of the class who are capable of taking;

(4) The doctrine of part performance is recognised. By this doctrine the transferee is protected where the contract to transfer is followed by part performance and the contract is made enforceable even though the contract is not registered. At the same time, care is taken to see that the law of registration is not evaded;

(5) In a mortgage by conditional sale, the condition must be embodied in the same deed;

(6) Provision is made to require the mortgagee to transfer, when so required, the mortgage debt to a third person named by the mortgagor;

(7) It is made clear that the mortgagor has a right to inspect and take copies of the documents of title relating to the mortgaged property which are in the possession of the mortgagee;

(8) It is also made clear that the mortgagor has the option to redeem several mortgages to the same mortgagee separately or simultaneously;

(9) There is no express provision in the Regulation allowing a mortgagee to make necessary improvements to the mortgaged property. This is now provided for:

(10) Statutory recognition is given to the mortgagor's power to lease so as to bind the mortgagee subject to certain safeguards;

(11) Remedy of foreclosure is abolished in the case of all mortgages except a mortgage by conditional sale or an anamolous mortgage providing expressly for foreclosure;

(12) Mortgagee is obliged to enforce several mortgages by the same mortgagor simultaneously in the absence of contract to the contrary;

(13) Provision is made for the court to stay a suit for enforcing the personal remedy against the mortgagor till the mortgagee has exhausted his remedies against the mortgaged property;

(14) The principle of subrogation is extended so that all persons who have an interest in the mortgaged property except the mortgagor will be entitled to be substituted in the place of the creditor who is paid off;

(15) The law of merger is modified so that the creditor may have the benefit of keeping his own incumbrance as well as those which he has paid off alive against subsequent incumbrances;

(16) Leases will be required to be executed by both parties.

Notes on Clauses.

Clause 2.—Notice as defined in section 3 includes both actual and constructive notice. This gave rise to a conflict of decisions in British India whether registration of a document is of itself constructive notice of the transaction effected by the document. Since the system of registration has been in existence in the State for over 70 years and is of general application, one of the objects for which instruments are required to be registered would be defeated if registration is to be held as not implying notice. Under the Transfer of Property Regulation most of the transfers of immovable property have to be effected by registered instruments and some few where property is of low value are allowed to be effected by delivery of possession. The means of search in registration offices are within the powers of a person taking a transfer. It is therefore desirable that express provision should be made in the Regulation itself making it clear that registration

of an instrument relating to immovable property amounts to notice of the instrument from the date of the instrument or from the date on which a memorandum of a registered instrument has been filed by a Sub-Registrar in whose jurisdiction a property is situated when it has been registered in another jurisdiction. This is provided for in Explanation I of the definition of "Notice."

Explanation II provides that the person dealing with any immovable property shall be deemed to have notice of the title of the person who for the time being is in actual possession. There was some uncertainty in regard to this. It does not seem reasonable that a person entering into a transaction relating to immovable property should ignore the question of possession or neglect to inquire into the title of the person in actual possession of such property. Notice in this case is not extended to possession which is merely of a constructive nature.

The last portion of the existing definition of notice which relates to notice through an agent is defective in as much as it may be construed as being restricted to cases of express notice. Explanation III amends the law as to notice to an agent by widening the definition so as to include a fact of which the agent has notice whether express or constructive. This is in accordance with the well-established principle that the agent stands in the place of his principal with reference to the business on hand so that his acts and knowledge are the acts and knowledge of his principal. If notice to the agent whether actual or constructive is not made notice to the principal, notice may be avoided in every case by employing agents. In the amendment there are safeguards to the effect that the notice must be of a fact which is material to the course of the business in which the agent is engaged, and that the agent must not fraudulently have concealed the fact from his principal.

Clause 3.—This provides for the case where a man makes a settlement of his property in trust and constitutes himself as a trustee. An explanation has been added to make it clear that the words "living person" include corporations and other associations of persons.

Clause 4.—A right to receive maintenance is a personal right and it is in accordance with public policy that these rights which are generally created for the maintenance or personal enjoyment of a qualified owner should

not be alienable. Hence a new clause is added to section 6. This does not apply to arrears of maintenance which have accrued due.

Clause 5.—Sections 11 and 40 of the Regulation refer to affirmative and negative covenants in a transfer. Section 11 refers to rights as between a transferor and a transferee while section 40 relates to the rights of third parties against transferees. The words "to compel its enjoyment" used in the second paragraph of section 11 and in the first paragraph of section 40 indicate that affirmative covenants for the beneficial enjoyment of one piece of the property of which the other piece has been transferred can in all cases be enforced and this is based on the principle in the English case of Tuck *VS* Moxhay. But later English decisions which have been followed in India made it clear that only covenants of a negative character and imposing no pecuniary obligatiou can be enforced under the rule in Tuck's case against purchasers from the transferee or covenantor. It is therefore proposed to amend the second paragraph of section 11 and the first paragraph of section 40 so as to make it clear that, although an affirmative covenant is not by itself invalid as between a transferor and a transferee (Section 11) negative or restrictive covenants only can be specifically enforced against a purchaser from a transferee.

Clause 6.—Section 15 is so amended as to make a gift to a class, some of whom are or may be incapacitated from taking, enure for the benefit of those members of the class who are capable of taking. This is in accordance with the tendency of decisions later than Leake *vs.* Robinson, the rule in which was embodied in present section 15.

Clause 7.—The amendment of section 15 renders a reference to that section in section 16 unnecessary. But provision is however made for the case where a transfer fails as to all the members of the class by reason of the rules in sections 13 and 14.

Section 18 relates to the rule against accumulations and allows accumulations for a period of one year only in certain cases. In England, the Thellusson Act allowed a much longer period. Even in India in cases which were not governed by section 18, the rule followed was that if there was nothing illegal or unreasonable in a direction to accumulate, such direction should be given effect to. It

is desirable to allow accumulations for longer periods to lay down definitely on the lines of the English law the periods and the objects for which a condition as to accumulation should be held valid. It is also desirable to accept certain well recognised exceptions in law such as those relating to provisions for the payment of debts, raising portions for children and the repairs to the property transferred. The restrictions contained in sections 14 and 16 and also the restrictions as to accumulations under section 18 should not apply to charities. section 18 dealing with accumulations should come after section 16 and it is numbered 17. The present section 17 which deals with charities is numbered 18.

Clause 8.—Section 39 now provides that a right to receive maintenance or a provision for advancement or marriage from the profits of immovable property can be enforced against the transferee if the transfer has been made with the intention of defeating the right and the transferee has notice of the intention. In actual practice it will be very difficult to adduce proof of mere intention. As it is desirable to protect persons entitled to maintenance or for whom provision for advancement has been made, it is necessary that the section be amended so that there may be no necessity to refer to the transferor's intention to defeat or for the transferee to be aware of such intention. As the illustration to the section is not consistent with the section as it does not make any reference to the intention of transferor, it is omitted.

Clause 9.—The amendment makes it clear that only negative or restrictive covenants can be specifically enforced against a third person as has been explained in the note to clause 5.

Clause 10.—This makes it clear that erroneous representation may either be innocent or tainted with fraud.

Clause 11.—The use of words "active prosecution" and "contentious" has given rise to difficulties in construing section 52. It has given room for a difference of view as to when a suit may be said to be in active prosecution and when it may be said to be contentious. The word "pendency" is therefore substituted for "active prosecution" and the word "contentious" omitted. An explanation is added to make it clear when the pendency of a suit or proceeding shall be deemed to commence and

when it shall be deemed to end. Collusive suits are excluded as they are not really suits at all, but merely a pretence. Further to attract the doctrine of *lis pendens* the suit must be pending in a court of competent jurisdiction and this has been made clear in the explanation.

Clause 12.—The section has been remodelled. The first paragraph of the old section referred both to transfers made with intent to defraud creditors and to transfers made in fraud of other transferees. It is desirable to split the section into two parts, sub-section (1) referring to creditors and sub-section (2) to other transferees, on the lines of the English law of Property Act, 1925. This division eliminates two difficulties in the construction of the present section. The first difficulty is that paragraph 3 can hardly apply to a case of contest between a prior voluntary transfer and a subsequent transfer for consideration. The second difficulty is in the use of the words "may be presumed" in the second paragraph which are being interpreted in different ways in the two cases. This inconsistency has been removed by the division of the section into two parts and the inclusion of a special provision in the last paragraph of the second sub-section for cases of conflict between a transfer without consideration and a subsequent transfer with consideration.

Paragraph 2 of present section 53 lays down a rule of evidence which has also given rise to considerable difficulty in interpretation. The general trend of decisions was that the court should decide in each case whether on all the circumstances the intention of the transferor was to defraud, defeat or delay his creditors and this is also the course of legislation. It is therefore proposed to delete para 2 of section 53 and to have the determination of the question of intent to be dealt with according to the ordinary rules of evidence.

The reference to prior 'transferees and co-owners or other persons having an interest' is superfluous as it is not clear in what cases they can be defeated by a subsequent voluntary transfer. The corresponding words have therefore been omitted.

It has been provided that the law of insolvency shall not be affected. To protect the transferee from being exposed to a multiplicity of suits, it is desirable to provide that a suit by a creditor must be a representative suit on behalf of all the creditors, and accordingly paragraph 3 has been inserted in sub-section (1).

Clause 13.—Courts have been applying the equitable doctrine of part performance to cases of transfer which have not been validated by registration on the ground that when one party has executed his part of the agreement in the confidence that the other party would do the same, it would be inequitable and a fraud, if the latter should refuse, to suffer this refusal to work to the prejudice of the former. Ignorant transferees in the country who have partly performed the contract require some measure of protection. Statutory recognition is therefore given by this clause to the doctrine of part performance. At the same time certain safeguards as mentioned below are provided in order that the law of registration may not be evaded and that the introduction of the doctrine does not lead to perjuries and frauds which it is the object of the doctrine to prevent.

(1) It is provided that the agreement should be in writing.

(2) The transferee should take possession of the property or if already in possession should, in addition to continuing in possession, do some act in furtherance of the contract.

(3) The transferor is debarred from enforcing against a transferee any right except such as are expressly provided by the contract. The mutual covenants will be operative though no title has passed. This will necessitate the completion of the transfer according to law by execution and registration in order that the transferee may get a marketable title. Thus the law of registration will not be evaded.

(4) There is a further safeguard in that the equities arising out of part performance may not affect the rights of a transferee for value without notice. It would be necessary therefore for the first transferee to have his transfer perfected according to law by registration and thereby acquire an indefeasible title.

Clause 14.—The expression "material defect" in section 55 (1) (a) has been held to include a defect in the title of the seller. Statutory effect is given to this decision by inserting the words "as in the seller's title thereto."

In sub-clause (b) of clause (4) of the same section, the unpaid seller's charge available against the buyer is made enforceable not only against the buyer but against a

transferee from the buyer with notice of the non-payment or a gratuitous transferee, as such lien could otherwise have been defeated by the buyer parting with the property. This clause is also silent as to the date from which interest on the unpaid purchase money should run. It is but fair that interest should run from the date when the buyer is put in possession.

Sub-clause (b) of clause (6) of the same section provides that a buyer's lien for price prepaid can be enforced against the seller and other persons claiming under him with notice of the payment. Gratuitous transferees and legal representatives of the seller could escape liability by pleading that they had no notice. It is proposed to amend the clause by omitting the words "with notice of the payment" so as to permit of the buyer's lien for price prepaid being enforced against all persons claiming under the seller.

Clause 15.—Section 56 as amended provides for the right of marshalling being enforced not only against the seller but also against the mortgagee of the seller.

Clause 16.—It is very often difficult to distinguish a mortgage by conditional sale from sales with a condition of repurchase. The nature of the transaction can only be determined by finding out the intention of the parties. In order to avoid the difficulty it is desirable to lay down a statutory test by which the intention is to be gathered. A proviso is added to clause (c) of section 58 to the effect that no transaction shall be deemed to be a mortgage by conditional sale unless the condition is embodied in the document purporting to effect the sale.

In sub-clause (*d*) it is made clear that a case where a mortgagee who is entitled to possession but has not received possession or a case where the mortgagee is entitled to appropriate a portion only of the income is a usufructuary mortgage. The definition of a mortgage by deposit of title deeds which is now in section 59 and the definition of an anomalous mortgage which is now in section 98 are brought under Section 58 which contains the definitions of the several kinds of mortgages. The term Bank has been extended so as to include foreign Banks working in Mysore to enable them also to deal in mortgages by deposit of title deeds.

Clause 17.—These amendments are consequential on the transfer of the definition of a mortgage by deposit of title deeds to section 58.

Clause 18.—This makes it clear that the words "mortgagor" and "mortgagee" include all persons deriving title under them.

Clause 19.—The word "payable" gave rise to a diversity of opinion and it was held in some cases that a mortgagor could redeem before the period stipulated for redemption. The contrary view which is the better one is that the mortgagor cannot redeem before the mortgage money has become due. In order to remove the doubt, the word "due" has been substituted for the word "payable."

It is also made clear that on redemption a mortgagee should deliver not only the mortgage deed but all documents in his possession relating to the mortgage. The word "decree" has been substituted for the word "order" as the old practice of passing orders absolute has been abolished. By the addition of the word "only" in the last paragraph, it is made clear that the case mentioned therein is the only exception to the rule of the indivisibility of a mortgage.

Clause 20.—Provision is made to require the mortgagee at the instance of the mortgagor to assign the mortgage to a third person. New section 60-B recognises the right of the mortgagor to inspect and take copies of the documents of title in the possession of the mortgagee.

Clause 21.—The wording of the section has been recast so as to make it clear that it is left to the option of the mortgagor to redeem any one or more of the mortgages.

Clause 22.—These amendments are in consonance with the amendments to sections 60 and 58 (*d*).

Clause 23.—Provides for cases where the mortgage deed is silent as to the rate of interest.

Clause 24.—Since there is no express provision in the Regulation dealing with improvements to the mortgaged property, this section has been added. The mortgagee will be entitled to compensation when the improvements are made to preserve the property from deterioration or to prevent the security from becoming insufficient. Provision is made for a mortgagee in possession to remove fixtures as a lessee can do.

Clause 27.—In the absence of an express provision in the Regulation, the question is raised whether the mortgagor in possession is competent to grant a lease of

the mortgaged property during the continuance of the mortgage and whether such a lease is binding on the mortgagee. It is therefore proposed to expressly provide that the mortgagor shall, subject to the express conditions of the mortgage deed, be entitled to grant a lease of the mortgaged property. Certain restrictions are however imposed to safeguard the interests of the mortgagee.

Clause 28.—It is desirable that the drastic remedy of foreclosure is used only in exceptional cases. It is therefore proposed to confine the remedy to the case of a mortgagee by conditional sale or of a mortgagee under an anomalous mortgage whereby the express terms of which the parties have stipulated for foreclosure, and to disallow it in other cases.

Clause 29.—When a mortgagee holds several mortgages in respect of the same or different properties, it will be prejudicial to the mortgagor if the mortgagee is allowed to enforce one mortgage and keep the other mortgages alive. The principle of consolidation is proposed to be applied to the mortgagee and he should enforce all the mortgages or none at all unless there is a contract to the contrary.

Clause 30.—The section has been recast so as to remove certain doubts that had arisen. The personal remedy declared by section 68 is additional to the remedies provided in section 67 and this concurrent remedy sometimes leads to abuse. It is therefore proposed to provide that in clauses (*a*) and (*b*) of sub-section (1) the mortgagee should exhaust all his available remedies against the mortgaged property before he seeks to pursue the personal remedy against the mortgagor unless the mortgagee abandons his security.

Clause 32.—It is equitable that a mortgagee though not in possession should be entitled to spend such money as may be necessary for the purposes mentioned in section 72.

The purpose in clause (*a*) is transferred to section 76 (*h*) which relates to a mortgagee in possession.

Clause 33.—The new section extends to cases of sale for arrears of other charges of a public nature and of acquisition under the Land Acquisition Regulation. The word "charge" is also avoided as it relates to immovable property and is enforceable as a simple mortgage. The mortgagee will be entitled to claim payment out of the

surplus fund or compensation money. Provision is also made for priorities.

Clause 34.—Sections 74 and 75 are deleted and the incidents therein which are based on the principle of subrogation are embodied in new sections 92 and 94.

Clause 36.—The principle of tacking embodied in section 80 is transferred to section 93 to come after 'subrogation.'

Clause 37.—The change is merely verbal.

Clause 38.—The principle of contribution is made applicable by this amendment to cases where the mortgaged property is subsequently divided into distinct and separate portions held in severalty. It further fixes the date of the mortgage as the date at which the valuation for the purpose of contribution should be made.

Clause 39.—Provision is made requiring the mortgagee to file all documents of title and also a draft reconveyance or an acknowledgment before he is entitled to draw the money.

Clause 40.—A proviso has been added making it clear that where the mortgagor has deposited the amount without a previous tender and has subsequently withdrawn it, interest shall be payable from date of withdrawal. It is not reasonable that the mortgagor should withdraw the money and at the same time get the benefit of cessation of interest.

Clause 41.—Section 91 has been remodelled omitting what is considered superfluous and combining the clauses where suitable. An attachment does not create an interest and there is no reason why an attaching creditor should have the right of redemption.

Clause 42.—Sections 74 and 75 have been omitted and the principle of subrogation is provided for in the new section 92 and applied to all persons having an interest in the mortgaged property, *i.e.*, all those referred to in section 91 as having the right of redemption. The section gives a full and extended expression to the doctrine of subrogation. A person advancing money for redeeming a mortgage is given the right of subrogation, but it is provided that the payment should however have been made under an agreement to subrogate reduced to writing and registered.

As the principle of tacking is closely allied to that of subrogation, section 80 is renumbered as 93 and placed after section 92.

Section 94 provides for the doctrine of foreclosing down which was partly contained in section 75.

Clause 44.—As there is no clear provision regarding the rights and liabilities of parties to a mortgage by deposit of title deeds, section 96 has been added.

Clause 45.—There has been a doubt whether a charge can be enforced against a transferee for consideration without notice. It is made clear that it cannot be enforced against such transferees.

Clause 46.—It may generally be taken to be the intention of a creditor and to his benefit to keep his own incumbrances as well those which he has paid off alive. The section is accordingly amended.

Clause 48.—Service by post is a recognised mode of service, and provision is made for serving a notice by post.

Clause 49.—Since a lease contains covenants both on the part of the lessor and the lessee, it is desirable that it should be executed by both.

Clause 52.—There is no provision now for relief against forfeiture where it accrues on breach of an express condition which provides that on breach thereof the lessor may re-enter although the breach may be capable of easy remedy. It is desirable that such a provision should be introduced here.

Clause 53.—The section is widened in its scope. It provides for the rights of the transferee also. It is also provided that the party can get back the thing transferred only if it is still in the possession of the other party.

Clause 56.—In this clause the provisions of the bill which are not to have retrospective operation are specified.

No. 2826—*L. C., Bangalore dated 9th December* 1937.

Under Rule 8 of the rules for the conduct of business of the Mysore Legislative Council, the accompanying Bill to supplement the Transfer of Property (Amendment) Regulation is published for general information with the statement of objects and reasons.

By Order,

A. SUNDARARAJA RAO,

Secretary,

Mysore Legislative Council.

THE TRANSFER OF PROPERTY (AMENDMENT) SUPPLEMENTARY BILL.

A Bill to supplement the Transfer of Property (Amendment) Regulation.

Whereas by reason of the passing of the Transfer of Property (Amendment) Regulation it is expedient that certain amendments should be made in certain other enactments; it is hereby enacted as follows:—

1. (1) This Regulation may be called *the Transfer of Property (Amendment) Supplementary Regulation, 193* . Short title and commencement.

(2) It shall come into force on the 1st day of .....

2. After section 27 of the specific Relief Act, 1877, as in force in Mysore, the following section shall be inserted, namely:— Insertion of new Section 27-A. in Specific Relief Act.

"27-A. Subject to the provisions of this Chapter, where a contract to lease immovable property is made in writing signed by the parties thereto or on their behalf, either party may, notwithstanding that the contract, though required to be registered, has not been registered, sue the other for specific performance of the contract if,— Specific performance in case of part performance of contract to lease.

(*a*) where specific performance is claimed by the lessor, he has delivered possession of the property to the lessee in part performance of the contract; and

(*b*) where specific performance is claimed by the lessee, he has in part performance of the contract, taken possession of the property, or being already in possession, continues in possession in part performance of the contract, and has done some act in furtherance of the contract;

Provided that nothing in this section shall affect the rights of a transferee for consideration who has no notice of the contract or of the part performance thereof.

This section applies to contracts to lease executed after the first day of ."

3. (1) In section 17 of the Mysore Registration Regulation, 1903,— Amendment of Registration Regulation.

(*a*) after clause (*d*) the following clause shall be added, namely:—

"(*dd*) non-testamentary instruments transferring or assigning any decree or order of a Court or any award when such decree or order or award purports or operates to create, declare, assign, limit or extinguish, whether in present or in future, any right, title or interest, whether vested or contingent, of the value of one hundred rupees and upwards to or in immovable property"; and

(*b*) in clause (*j*) for the words "and awards" the words "except decrees or orders expressed to be made on a compromise and comprising immovable property other than that which is the subject matter of the suit or proceeding" shall be substituted.

(2) In section 48 of the same Regulation, after the words "or followed by delivery of possession" the following words shall be added, namely:—

"and the same constitutes a valid transfer under any law for the time being in force:

Provided that a mortgage by deposit of title deeds as defined in section 58 of the Transfer of Property Regulation shall take effect against any mortgage-deed subsequently executed and registered which relates to the same property."

(3) In section 49 of the same Regulation—

(*a*) after the word and figures "section 17" the words "or by any provision of the Transfer of Property Regulation" shall be inserted; and

(*b*) to that section the following proviso shall be added, namely:—

"Provided that an unregistered document affecting immovable property and required by this Regulation or the Transfer of Property Regulation to be registered may be received as evidence of a contract in a suit for specific performance under Chapter II of the Specific Relief Act, 1877, as in force in Mysore, or as evidence of part performance of a contract for the purposes of section 53-A of the Transfer of Property Regulation or as evidence of any collateral transaction not required to be effected by registered instrument."

Amendment of Indian Succession Act.

4. (1) In section 102 of the Indian Succession Act, 1865, as in force in Mysore.

(*a*) for the words "wholly void" the words "void in regard to those persons only and not in regard to the whole class" shall be substituted;

(*b*) in *Illustration* (*a*) for the words "and, as it is given to all his children as a class, it is not good as to any division of that class, but is wholly void" the following words shall be substituted, namely:—

"and in regard to those who do not attain the age of 25 within 18 years after A's death, but is operative in regard to the other children of A"; and

(*c*) in *Illustration* (*b*), for the words "The mention of B, C and D by name does not prevent the bequest from being regarded as a bequest to a class, and the bequest is wholly void" the following words shall be substituted, namely:—

"Although the mention of B, C and D does not prevent the bequest from being regarded as a bequest to a class, it is not wholly void. It is operative as regards any of the children B, C or D, who attains the age of 25 within 18 years after A's death."

(2) for section 103 of the same Act, the following section shall be substituted, namely:—

Bequest to take effect on failure of prior bequest.

"103. Where by reason of any of the rules contained in sections 100 and 101 any bequest in favour of a person or of a class of persons is void in regard to such person or the whole of such class, any bequest contained in the same will and intended to take effect after or upon failure of such prior bequest is also void."

(3) For section 104 of the same Act and the *Illustration* thereto, the following section shall be substituted, namely:—

Effect of direction for accumulation.

"104. (1) Where the terms of a will direct that the income arising from any property shall be accumulated either wholly or in part during any period longer than a period of eighteen years from the death of the testator, such direction shall, save as hereinafter provided, be void to the extent to which the period during which the accumulation is directed exceeds the aforesaid period, and at the end of such period of eighteen years the property and the income thereof shall be disposed of as if the period during which the accumulation has been directed to be made had elapsed.

(2) This section shall not affect any direction for accumulation for the purpose of—

(i) the payment of the debts of the testator or any other person taking any interest under the will, or

(ii) the provision of portions for children or remoter issue of the testator or of any other person taking any interest under the will, or

(iii) the preservation or maintenance of any property bequeathed;

and such direction may be made accordingly."

Savings.

5. Nothing in this Regulation shall be deemed to affect—

(*a*) the terms or incidents of any transfer or disposition of property made or effected before the first day of .....

(*b*) the validity, invalidity, effect or consequences of anything already done or suffered before the aforesaid date;

(*c*) any right, title, obligation or liability already acquired, accrued or incurred before such date;

(*d*) any remedy or proceeding in respect of such right, title, obligation or liability; or

(*e*) anything done in the course of any proceeding pending in any Court on the aforesaid date;

and any such remedy or proceeding may be enforced, instituted or continued, as the case may be, as if this Regulation had not been passed.

Statement of Objects and Reasons.

Consequent on the amendments proposed to the Transfer of Property Regulation, it has become necessary to introduce amendments to (1) Specific Relief Act, (2) Registration Regulation, (3) Succession Act, (4) Limitation Regulation and (5) Code of Civil Procedure.

Amendments to the Specific Relief Act give effect to the principle of part performance embodied in the new section 53-A of the Transfer of Property Regulation.

Registration Regulation is amended so that assignments of decrees, orders and awards relating to immovable property may be always registered. Courts will be empowered to admit unregistered documents in evidence in giving effect to the doctrine of part performance.

Succession Act is amended in conformity with the amendments to sections 15 to 18 of the Transfer of Property Regulation.

Amendment to the Limitation Regulation providing for a period of limitation governing suits to recover the money due on a mortgage by the deposit of title deeds is included in the Bill to amend the Limitation Regulation proposed to be introduced.

The amendments to the Code of Civil Procedure relate to Order XXXIV of the First Schedule thereto and the forms in Appendix D. These may, in due course, be made by the High Court itself under their rule-making power, and they are not therefore included in the bill.

Detailed explanations of the several clauses are given below:

NOTES ON CLAUSES.

Clause 2.—Consequent on the statutory recognition of part performance in section 53-A of the Transfer of Property Regulation, it is necessary to insert a new section in the Specific Relief Act providing for specific performance in cases where the doctrine of part performance is applicable.

Clause 3.—Amendment of the Registration Regulation: A new clause (*dd*) is inserted in section 17 of the Registration Regulation so as to make it definite that the assignment of a mortgage decree requires registration on the ground that the right to sell immovable property which is given by the assignment is a right or interest in the property.

Clause (j) of section 17 is amended so that the exemption from registration will not apply to decrees and orders expressed to be made on a compromise and comprising immovable properties outside the scope of the suit or proceeding as it would otherwise lead to hardships.

The word 'awards' is also omitted as non-registration of awards affecting immovable property creates the same hardship.

It is proposed to amend section 48 of the Registration Regulation so as to make it clear that only those transactions which can validly be made by an oral agreement and by delivery of possession according to the provisions of any law for the time being in force and also mortgages by deposit of title deeds cannot be supplanted by subsequent registered instruments.

The doctrine of part performance having been recognised, unregistered documents have to be admitted in evidence to prove part performance. Hence section 49 of the Registration Regulation is amended. It is also made clear that documents which require to be registered but have not been registered can be admitted in evidence for a collateral purpose.

Clause 4.—The amendments proposed in this clause to the Succession Act are consequential upon those proposed to be made in Sections 15, 16 and 18 of the Transfer of Property Regulation.

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PART IV.

Legislative Measures and Rules thereunder.

NOTIFICATION

No. 2835—L. C., Bangalore, dated 14th December 1937.

Under Rule 8 of the rules for the conduct of business of the Mysore Legislative Council, the accompanying Bill to consolidate and amend the Law relating to Trading Companies and other Associations is published for general information with the statement of objects and reasons.

By Order,
A. SUNDARARAJA RAO,
Secretary,
Mysore Legislative Council.

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BILL TO CONSOLIDATE AND AMEND THE LAW RELATING TO TRADING COMPANIES AND OTHER ASSOCIATIONS.

Whereas it is expedient to consolidate and amend the law relating to Trading Companies and other Associations; It is hereby enacted as follows :—

PART I.

PRELIMINARY.

Short title, commencement and extent.

1. (1) This Regulation may be called the Mysore Companies Regulation, 19 .

(2) It shall come into force on the first day of.....

.....

(3) It extends to the whole of Mysore.

Definitions.

2. (1) In this Regulation unless there is anything repugnant in the subject or context,—

(*1*) "articles" means the articles of association of a company as originally framed or as altered by special resolution, including, so far as they apply to the company, the regulations contained in Table A in the First Schedule annexed to the Mysore Companies Regulation, 1895, or in Table A in the First Schedule annexed to the Mysore Companies Regulation, 1917, or in Table A in the First Schedule annexed to this Regulation:

(*2*) "company" means a company formed and registered under this Regulation or an existing company:

(*3*) "the Court" means the Court having jurisdiction under this Regulation:

(*4*) "debenture" includes debenture stock:

(*5*) "director" includes any person occupying the position of a director by whatever name called:

(*6*) "District Court" means the principal Civil Court of original jurisdiction in a district:

(*7*) "existing company" means a company formed and registered under the Indian Companies Act, 1866, or

under the Mysore Companies Regulation, 1895, or under the Mysore Companies Regulation, 1917:

(*7A*) "the Indian Companies Act, 1866," means Act X of 1866 as extended to Mysore:

(*8*) "Insurance company" means a company that carries on the business of insurance either solely or in common with any other business or businesses:

(*9*) "manager" means a person who, subject to the control and direction of the directors, has the management of the whole affairs of a company, and includes a director or any other person occupying the position of a manager by whatever name called and whether under a contract of service or not:

(*9A*) "managing agent" means a person, firm or company entitled to the management of the whole affairs of a company by virtue of an agreement with the company, and under the control and direction of the directors except to the extent, if any, otherwise provided for in the agreement, and includes any person, firm or company occupying such position by whatever name called:

Explanation.—If a person occupying the position of a managing agent calls himself a manager he shall nevertheless be regarded as managing agent and not as manager for the purposes of this Regulation.

(*10*) "memorandum" means the memorandum of association of a company as originally framed or as altered in pursuance of the provisions of this Regulation:

(*11*) "officer" includes any director, managing agent, manager or secretary but, save in sections 235, 236 and 237, does not include an auditor:

(*12*) "prescribed" means, as respects the provisions of this Regulation relating to the winding up of companies, prescribed by rules made by the High Court, and, as respects the other provisions of this Regulation, prescribed by the Government:

(*13*) "private company" means a company which by its articles—

(*a*) restricts the right to transfer the shares, if any; and

(*b*) limits the number of its members to fifty not including persons who are in the employment of the company; and

(*c*) prohibits any invitation to the public to subscribe for the shares, if any, or debentures of the company;

Provided that where two or more persons hold one or more shares in a company jointly they shall, for the purposes of this definition, be treated as a single member:

(*13A*) "public company" means a company incorporated under this Regulation or under the Mysore Companies Regulation, 1917, or under the Mysore Companies Regulation, 1895, or under the Indian Companies Act, 1866, which is not a private company:

(*14*) "prospectus" means any prospectus, notice, circular, advertisement or other invitation, offering to the public for subscription or purchase any shares or debentures of a company, but shall not include any trade advertisement which shows on the face of it that a formal prospectus has been prepared and filed:

(*15*) "the registrar" means a registrar or assistant registrar performing under this Regulation the duty of registration of companies: and

(*16*) "share" means share in the share capital of the company, and includes stock except when a distinction between stock and shares is expressed or implied.

(2) Where the assets of a company consist in whole or in part of shares in another company, whether held directly or through a nominee and whether that other company is a company within the meaning of this Regulation or not, and

(*a*) the amount of the shares so held is at the time when the accounts of the holding company are made up more than fifty per cent of the issued share capital of that other company or such as to entitle the company to more than fifty per cent of the voting power in that other company, or

(*b*) the company has power (not being power vested in it by virtue only of the provisions of a debenture trust deed or by virtue of shares issued to it for the purpose in pursuance of those provisions) directly or indirectly to appoint the majority of the directors of that other company,

that other company shall be deemed to be a subsidiary company within the meaning of this Regulation, and the expression 'subsidiary company' in this Regulation means a company in the case of which the conditions of this sub-section are satisfied and includes a subsidiary company of such company:

Provided that where a company the ordinary business of which includes the lending of money, holds shares in another company as security only, no account shall, for the purpose of determining under this section whether that other company is a subsidiary company, be taken of the shares so held.

Jurisdiction of the Courts.

3. (1) The Court having jurisdiction under this Regulation shall be the High Court:

Provided that the Government may, by notification in the Official Gazette and subject to such restrictions and conditions as it thinks fit, empower any District Court to exercise all or any of the jurisdiction by this Regulation conferred upon the Court, and in that case such District Court shall, as regards the jurisdiction so conferred, be the Court in respect of all companies having their registered offices in the district.

(2) For the purposes of jurisdiction to wind up companies, the expression 'registered office' means the place which has longest been the registered office of the company during the six months immediately preceding the presentation of the petition for winding up.

(3) Nothing in this section shall invalidate a proceeding by reason of its being taken in a wrong Court.

PART II.

CONSTITUTION AND INCORPORATION.

Prohibition of partnerships exceeding certain number.

4. (1) No company, association or partnership consisting of more than ten persons shall be formed for the purpose of carrying on the business of banking unless it is registered as a company under this Regulation.

(2) No company, association or partnership consisting of more than twenty persons shall be formed for the purpose of carrying on any other business that has for its object the acquisition of gain by the company, association or partnership, or by the individual members thereof, unless it is registered as a company under this Regulation.

(3) This section shall not apply to a joint family carrying on joint family trade or business and where two or more such joint families form a partnership, in computing the number of persons for the purposes of this section, minor members of such families shall be excluded.

(4) Every member of a company, association or partnership carrying on business in contravention of this section shall be personally liable for all liabilities incurred in such business.

(5) Any person who is a member of a company, association or partnership formed in contravention of this section shall be punishable with fine not exceeding one thousand rupees.

MEMORANDUM OF ASSOCIATION.

Mode of forming incorporated company.

5. Any seven or more persons (or, where the company to be formed will be a private company, any two or more persons) associated for any lawful purpose may, by subscribing their names to a memorandum of association and otherwise complying with the requirements of this Regulation in respect of registration, form an incorporated company, with or without limited liability (that is to say), either—

(*i*) a company having the liability of its members limited by the memorandum to the amount, if any, unpaid on the shares respectively held by them (in this Regulation termed a company limited by shares); or

(*ii*) a company having the liability of its members limited by the memorandum to such amount as the members may respectively thereby undertake to contribute to the assets of the company in the event of its being wound up (in this Regulation termed a company limited by guarantee); or

(*iii*) a company not having any limit on the liability of its members (in this Regulation termed an unlimited company).

Memorandum of company limited by shares.

6. In the case of a company limited by shares—

(1) the memorandum shall state—

(*i*) the name of the company, with "Limited" as the last word in its name;

(*ii*) the objects of the company;

(*iii*) that the liability of the members is limited;

(*iv*) the amount of share capital with which the company proposes to be registered, and the division thereof into shares of a fixed amount:

(2) no subscriber of the memorandum shall take less than one share:

(3) each subscriber shall write opposite to his name the number of shares he takes.

Memorandum of company limited by guarantee.

7. In the case of a company limited by guarantee—

(1) the memorandum shall state—

(*i*) the name of the company, with "Limited" as the last word in its name;

(*ii*) the objects of the company;

(*iii*) that the liability of the members is limited;

(*iv*) that each member undertakes to contribute to the assets of the company in the event of its being wound up while he is a member, or within one year afterwards, for payment of the debts and liabilities of the company contracted before he ceases to be a member, and of the costs, charges and expenses of winding up, and for adjustment of the rights of the contributories among themselves, such amount as may be required, not exceeding a specified amount:

(2) if the company has a share capital—

(*i*) the memorandum shall also state the amount of share capital with which the company proposes to be registered and the division thereof into shares of a fixed amount;

(*ii*) no subscriber of the memorandum shall take less than one share;

(*iii*) each subscriber shall write opposite to his name the number of shares he takes.

Memorandum of unlimited company.

8. In the case of an unlimited company—

(1) the memorandum shall state—

(*i*) the name of the company;

(*ii*) the objects of the company;

(2) if the company has a share capital—

(*i*) no subscriber of the memorandum shall take less than one share;

(*ii*) each subscriber shall write opposite to his name the number of shares he takes.

Printing and signature of memorandum.

9. The memorandum shall—

(*a*) be printed,

(*b*) be divided into paragraphs numbered consecutively, and

(*c*) be signed by each subscriber (who shall add his address and description) in the presence of at least one witness who shall attest the signature.

Restriction on alteration of memorandum.

10. A company shall not alter the conditions contained in its memorandum except in the cases and in the

mode and to the extent for which express provision is made in this Regulation:

Provided that any provision in the memorandum relating to the appointment of a manager or managing agent and other matters of a like nature incidental or subsidiary to the main objects of the company, shall not be deemed to be such condition.

Name of company and change of name.

11. (1) A company shall not be registered by a name identical with that by which a company in existence is already registered, or so nearly resembling that name as to be calculated to deceive, except where the company in existence is in the course of being dissolved and signifies its consent in such manner as the registrar requires.

(2) If a company, through inadvertence or otherwise, is, without such consent as aforesaid, registered by a name identical with that by which a company in existence is previously registered, or so nearly resembling it as to be calculated to deceive, the first-mentioned company may, with the sanction of the registrar, change its name.

(3) Except with the previous consent of the Government given in writing under the hand of one of the Secretaries to the Government no company shall be registered by a name which—

(*a*) contains any of the following words, namely, "Maharaja," "Royal," "State," "Mysore" or any word which suggests or is calculated to suggest the patronage of His Highness the Maharaja or any connection with His Highness's Government; or

(*b*) contains the word "Municipal" or any word which suggests or is calculated to suggest connection with any municipality or other local authority:

Provided that, notwithstanding anything contained in Section 290, the Government may, at any time, after serving a notice in writing giving reasons and after hearing objections, if any, thereto, pass an order requiring any company registered either before or after the passing of this Regulation under any enactment for the time being in force, with a name containing such words, to alter or omit those words, within a period of three months from the date on which the order is communicated to the company.

(4) Any company may, by special resolution and subject to the approval of the Government signified in

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writing, under the hand of one of the Secretaries to the Government, change its name.

(5) Where a company changes its name, the registrar shall enter the new name on the register in place of the former name, and shall issue a certificate of incorporation altered to meet the circumstances of the case. On the issue of such a certificate, the change of name shall be complete.

(6) The change of name shall not affect any rights or obligations of the company or render defective any legal proceeding by or against the company; and any legal proceedings that might have been continued or commenced against it by its former name may be continued or commenced against it by its new name.

Alteration of memorandum.

12. (1) Subject to the provisions of this Regulation, a company may, by special resolution, alter the provisions of its memorandum with respect to the objects of the company, so far as may be required to enable it—

(*a*) to carry on its business more economically or more efficiently; or

(*b*) to attain its main purpose by new or improved means; or

(*c*) to enlarge or change the local area of its operations; or

(*d*) to carry on some business which under existing circumstances may conveniently or advantageously be combined with the business of the company; or

(*e*) to restrict or abandon any of the objects specified in the memorandum; or

(*f*) to sell or dispose of the whole or any part of the undertaking of the company; or

(*g*) to amalgamate with any other company or body of persons.

(2) The alteration shall not take effect until and except in so far as it is confirmed by the Court on petition.

(3) Before confirming the alteration, the Court must be satisfied—

(*a*) that sufficient notice has been given to every holder of debentures of the company, and to any persons or class of persons whose interests will, in the opinion of the Court, be affected by the alteration; and

(*b*) that, with respect to every creditor who in the opinion of the Court is entitled to

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object, and who signifies his objection in manner directed by the Court, either his consent to the alteration has been obtained or his debt or claim has been discharged or has determined, or has been secured to the satisfaction of the Court:

Provided that the Court may, in the case of any person or class, for special reasons, dispense with the notice required by this section.

13. The Court may make an order confirming the alteration either wholly or in part, and on such terms and conditions as it thinks fit, and may make such order as to costs as it thinks proper.

Power of Court when confirming alteration.

14. The Court shall, in exercising its discretion under sections 12 and 13, have regard to the rights and interests of the members of the company or of any class of them, as well as to the rights and interest of the creditors, and may, if it thinks fit, adjourn the proceedings in order that an arrangement may be made to the satisfaction of the Court for the purchase of the interests of dissentient members; and may give such directions and make such orders as it may think expedient for facilitating or carrying into effect any such arrangement:

Exercise of discretion by Court.

Provided that no part of the capital of the company may be expended in any such purchase.

15. (1) A certified copy of the order confirming the alteration, together with a printed copy of the memorandum as altered, shall, within three months from the date of the order, be filed by the company with the registrar, and he shall register the same, and shall certify the registration under his hand, and the certificate shall be conclusive evidence that all the requirements of this Regulation with respect to the alteration and the confirmation thereof have been complied with, and thenceforth the memorandum so altered shall be the memorandum of the company.

Procedure on confirmation of the alteration.

(2) The Court may by order at any time extend the time for the filing of documents with the registrar under this section for such period as the Court thinks proper.

16. No such alteration shall have any operation until registration thereof has been duly effected in accordance with the provisions of section 15, and if such registration is not effected within three months next after the date of the order of the Court confirming the alteration, or within such further time as may be allowed by the Court in

Effect of failure to register within three months.

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accordance with the provisions of section 15, such alteration and order and all proceedings connected therewith shall, at the expiration of such period of three months or such further time, as the case may be, become absolutely null and void:

Provided that the Court may, on sufficient cause shown, revive the order on application made within a further period of one month.

ARTICLES OF ASSOCIATION.

Registration of articles.

17. (1) There may, in the case of a company limited by shares, and there shall, in the case of a company limited by guarantee or unlimited, be registered with the memorandum, articles of association signed by the subscribers to the memorandum and prescribing regulations for the company.

(2) Articles of association may adopt all or any of the regulations contained in Table A in the First Schedule and shall in any event be deemed to contain regulations identical with or to the same effect as regulation 56, regulation 66, regulation 71, regulations 78, 79, 80, 81 and 82, regulation 95, regulation 97, regulation 105, regulation 107, and regulations 112, 113, 114, 115 and 116 contained in that Table:

Provided that regulation 78 shall not be deemed to be included in the articles of any private company except a private company which is the subsidiary company of a public company:

Provided further that regulation 107 shall be deemed to require that a statement of the reasons why of the whole amount of any item of expenditure which may in fairness be distributed over several years, only a portion thereof is charged against the income of the year, shall be shown in the profit and loss account, unless the company in general meeting shall determine otherwise.

(3) In the case of an unlimited company or a company limited by guarantee, the articles, if the company has a share capital, shall state the amount of share capital with which the company proposes to be registered.

(4) In the case of an unlimited company or a company limited by guarantee, if the company has not a share capital, the articles shall state the number of members with which the company proposes to be registered, for the purpose of enabling the registrar to determine the fees payable on registration.

18. In the case of a company limited by shares and registered after the commencement of this Regulation, if articles are not registered, or, if articles are registered, in so far as the articles do not exclude or modify the regulations in table A in the First Schedule, those regulations shall, so far as applicable, be the regulations of the company in the same manner and to the same extent as if they were contained in duly registered articles. Application of Table A.

19. Articles shall— Form and signature of articles.

(*a*) be printed;

(*b*) be divided into paragraphs numbered consecutively; and

(*c*) be signed by each subscriber of the memorandum (who shall add his address and description) of association in the presence of at least one witness who must attest the signature.

20. Subject to the provisions of this Regulation and to the conditions contained in its memorandum, a company may by special resolution alter or add to its articles; and any alteration or addition so made shall be as valid as if originally contained in the articles, and be subject in like manner to alteration by special resolution. Alteration of articles by special resolution.

20A. Notwithstanding anything in the memorandum or articles of a company, no member of the company shall be bound by an alteration made in the memorandum or articles after the date on which he became a member if and so far as the alteration requires him to take or subscribe for more shares than the number held by him at the date on which the alteration is made, or in any way increases his liability as at that date to contribute to the share capital of, or otherwise to pay money to, the company: Effect of alteration in memorandum or articles.

Provided that this section shall not apply in any case where the member agrees in writing either before or after the alteration is made to be bound thereby.

General Provisions.

21. (1) The memorandum and articles shall, when registered, bind the company and the members thereof to the same extent as if they respectively had been signed by each member and contained a covenant on the part of each member, his heirs, and legal representatives, to observe all the provisions of the memorandum and of the articles, subject to the provisions of this Regulation. Effect of memorandum and articles.

(2) All money payable by any member to the company under the memorandum or articles shall be a debt due from him to the company.

Registration of memorandum and articles.

22. The memorandum and the articles (if any), shall be filed with the registrar who shall retain and register them.

Effect of registration.

23. (1) On the registration of the memorandum of a company, the registrar shall certify under his hand that the company is incorporated, and in the case of a limited company that the company is limited.

(2) From the date of incorporation mentioned in the certificate of incorporation, the subscribers of the memorandum, together with such other persons as may from time to time become members of the company, shall be a body corporate by the name contained in the memorandum, capable forthwith of exercising all the functions of an incorporated company, and having perpetual succession and a common seal, but with such liability on the part of the members to contribute to the assets of the company in the event of its being wound up as is mentioned in this Regulation.

Conclusiveness of certificate of incorporation.

24. (1) A certificate of incorporation given by the registrar in respect of any association shall be conclusive evidence that all the requirements of this Regulation in respect of registration and of matters precedent and incidental thereto have been complied with, and that the association is a company authorised to be registered and duly registered under this Regulation.

(2) A declaration by an advocate, entitled to appear before the High Court who is engaged in the formation of a company, or by a person named in the articles as a director, manager or secretary of the company, of compliance with all or any of the said requirements shall be filed with the registrar, and the registrar may accept such a declaration as sufficient evidence of compliance.

Copies of memorandum and articles to members.

25. (1) Every company shall send to every member, at his request and within fourteen days thereof, on payment of one rupee or such less sum as the company may prescribe, a copy of the memorandum and of the articles (if any).

(2) If a company makes default in complying with the requirements of this section, it shall be liable for each offence to a fine not exceeding ten rupees.

Alteration of memorandum or articles to be noted in every copy.

25A. (1) Where an alteration is made in the memorandum or articles of a company, every copy of the memorandum or articles issued after the date of the alteration shall be in accordance with the alteration.

(2) If, where any such alteration has been made, the company at any time after the date of the alteration issues any copies of the memorandum or articles which are not in accordance with the alteration, it shall be liable to a fine not exceeding ten rupees for each copy so issued and every officer of the company who is knowingly and wilfully in default shall be liable to the like penalty.

Associations not for Profit.

Power to dispense with "Limited" in name of charitable and other companies.

26. (1) Where it is proved to the satisfaction of the Government that an association capable of being formed as a limited company has been or is about to be formed for promoting commerce, art, science, charity or any other useful object, and applies or intends to apply its profits (if any) or other income in promoting its objects, and to prohibit the payment of any dividend to its members, the Government may, by license under the hand of one of its secretaries, direct that the association be registered as a company with limited liability, without the addition of the word "Limited" to its name, and the association may be registered accordingly.

(2) A license by the Government under this section may be granted on such conditions and subject to such regulations as the Government thinks fit, and those conditions and regulations shall be binding on the association, and shall, if the Government so directs, be inserted in the memorandum and articles, or in one of those documents.

(3) The association shall on registration enjoy all the privileges of limited companies, and be subject to all their obligations, except those of using the word "Limited" as any part of its name, and of publishing its name, and of sending lists of members to the registrar.

(4) A license under this section may at any time be revoked by the Government, and upon revocation the registrar shall enter the word "Limited" at the end of the name of the association upon the register, and the association shall cease to enjoy the exemptions and privileges granted by this section;

Provided that, before a license is so revoked, the Government shall give to the association notice in

writing of its intention, and shall afford the association an opportunity of submitting a representation in opposition to the revocation.

COMPANIES LIMITED BY GUARANTEE.

Provision as to companies limited by guarantee.

27. (1) In the case of a company limited by guarantee and not having a share capital, and registered after the commencement of this Regulation, every provision in the memorandum or articles or in any resolution of the company purporting to give any person a right to participate in the divisible profits of the company otherwise than as a member shall be void.

(2) For the purpose of the provisions of this Regulation relating to the memorandum of a company limited by guarantee and of this section, every provision in the memorandum or articles, or in any resolution, of any company limited by guarantee and registered after the commencement of this Regulation, purporting to divide the undertaking of the company into shares or interests, shall be treated as a provision for a share capital, notwithstanding that the nominal amount of number of the shares or interests is not specified thereby.

PART III.

Share Capital, Registration of Unlimited Company as Limited, and Unlimited Liability of Directors.

DISTRIBUTION OF SHARE CAPITAL.

Nature of shares.

28. (1) The shares or other interest of any member in a company shall be moveable property, transferable in manner provided by the articles of the company.

(2) Each share in a company having a share capital shall be distinguished by its appropriate number.

Certificate of shares or stock.

29. A certificate, under the common seal of the company, specifying any shares or stock held by any member, shall be *prima facie* evidence of the title of the member to the shares or stock therein specified.

Definition of "member."

30. (1) The subscribers of the memorandum of a company shall be deemed to have agreed to become members of the company, and on its registration shall be entered as members in its register of members.

(2) Every other person who agrees to become a member of a company and whose name is entered in its register of members, shall be a member of the company.

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31. (1) Every company shall keep in one or more books a register of its members, and enter therein the following particulars:— Register of members.

(*i*) the names and addresses, and the occupations, if any, of the members, and, in the case of a company having a share capital, a statement of the shares held by each member, distinguishing each share by its number, and of the amount paid or agreed to be considered as paid on the shares of each member;

(*ii*) the date at which each person was entered in the register as a member;

(*iii*) the date at which any person ceased to be a member.

(2) If a company makes default in complying with the requirements of this section, it shall be liable to a fine not exceeding fifty rupees for every day during which the default continues; and every officer of the company who knowingly and wilfully authorises or permits the default shall be liable to the like penalty.

31A. (1) Every company having more than fifty members shall, unless the register of members is in such a form as to constitute in itself an index, keep an index of the names of the members of the company and shall within fourteen days after the date on which any alteration is made in the register of members make any necessary alteration in the index. Index of members of company.

(2) The index, which may be in the form of a card index, shall in respect of each member contain a sufficient indication to enable the account of that member in the register to be readily found.

(3) If default is made in complying with this section, the company and every officer of the company who is knowingly and wilfully in default shall be liable to a fine not exceeding fifty rupees.

32. (1) Every company having a share capital shall within eighteen months from its incorporation and thereafter once at least in every year make a list of all persons who, on the day of the first or only ordinary general meeting in the year, are members of the company, and of all persons who have ceased to be members since the date of the last return or (in the case of the first return) of the incorporation of the company. Annual list of members and summary.

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(2) The list shall state the names, addresses, and occupations of all the past and present members therein mentioned, and the number of shares held by each of the existing members at the date of the return, specifying shares transferred since the date of the last return or (in the case of the first return) of the incorporation of the company by persons who are still members and persons who have ceased to be members respectively and the dates of registration of the transfers, and shall contain a summary distinguishing between shares issued for cash and shares issued as fully or partly paid up otherwise than in cash, and specifying the following particulars:—

(*a*) the amount of the share capital of the company, and the number of the shares into which it is divided;

(*b*) the number of shares taken from the commencement of the company up to the date of the return;

(*c*) the amount called upon each share;

(*d*) the total amount of calls received;

(*e*) the total amount of calls unpaid;

(*f*) the total amount of the sums (if any) paid by way of commission in respect of any shares or debentures, or allowed by way of discount in respect of any shares or debentures, since the date of the last return or so much thereof as has not been written off at the date of the return;

(*g*) the total number of shares forfeited;

(*h*) the total amount of shares or stock for which share-warrants are outstanding at the date of the return;

(*i*) the total amount of share-warrants issued and surrendered respectively since the date of the last return;

(*j*) the number of shares or amount of stock comprised in each share-warrant;

(*k*) the names and addresses of the persons who at the date of the return are the directors of the company and of the persons (if any) who at the said date are the managers or managing agents of the company, and the changes in the personnel of the directors, managers and managing agents since the

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last return together with the dates on which they took place; and

(*l*) the total amount of debt due from the company in respect of all mortgages and charges which are required to be registered with the registrar under this Regulation.

(3) The above list and summary shall be contained in a separate part of the register of members and shall be completed within twenty-one days after the day of the first or only ordinary general meeting in the year, and the company shall forthwith file with the registrar a copy signed by a director or by the manager or the secretary of the company, together with the certificate from such director, manager or secretary that the list and summary state the facts as they stood on the day aforesaid.

(4) A private company shall send with the annual return required by sub-section (1) a certificate signed by a director or other officer of the company that the company has not, since the date of the last return or, in the case of a first return, since the date of the incorporation of the company, issued any invitation to the public to subscribe for any shares or debentures of the company, and where the annual return discloses the fact that the number of members of the company exceeds fifty, also a certificate so signed that the excess consists wholly of persons who under sub-clause (*b*) of clause 13 of sub-section (1) of section 2 are not to be included in reckoning the number of fifty.

(5) If a company makes default in complying with the requirements of this section, it shall be liable to a fine not exceeding fifty rupees for every day during which the default continues, and every officer of the company who knowingly and wilfully authorises or permits the default shall be liable to the like penalty.

Trusts not to be entered on register.

33. No notice of any trust, expressed, implied or constructive, shall be entered on the register, or be receivable by the registrar.

Transfer of shares.

34. (1) An application for the registration of the transfer of shares in a company may be made either by the transferor or the transferee, provided that where such application is made by the transferor no registration shall in the case of partly paid shares be effected unless the company gives notice of the application to the transferee and subject to the provisions of sub-section (4) the company shall, unless objection is made by the transferee

within two weeks from the date of receipt of the notice, enter in its register of members the name of the transferee in the same manner and subject to the same conditions as if the application for registration was made by the transferee.

(2) For the purposes of sub-section (1) notice to the transferee shall be deemed to have been duly given if despatched by prepaid post to the transferee at the address given in the instrument of transfer and shall be deemed to have been delivered in the ordinary course of post.

(3) It shall not be lawful for the company to register a transfer of shares in or debentures of the company unless the proper instrument of transfer duly stamped and executed by the transferor and the transferee has been delivered to the company along with the scrip:

Provided that, where it is proved to the satisfaction of the directors of the company that an instrument of transfer signed by the transferor and transferee has been lost, the company may, if the directors think fit, on an application in writing made by the transferee and bearing the stamp required by an instrument of transfer, register the transfer on such terms as to idemnity as the directors may think fit.

(4) If a company refuses to register the tsansfer of any shares on debentures, the company shall, within two months from the date on which the instrument of transfer was lodged with the company, send to the transferee and the transferor notice of the refusal.

(5) If default is made in complying with sub-section (4) of this section, the company and every director, manager, secretary or other officer of the company who is knowingly a party to the default shall be liable to a fine not exceeding fifty rupees for every day during which the default continues.

(6) Noting in sub-section (3) shall prejudice any power of the company to register as share-holder or debenture-holder any person to whom the right to any shares in or debentures of the company has been transmitted by operation of law.

(7) Nothing in this section shall prejudice any power of the company under its articles to refuse to register the transfer of any shares.

Transfer by legal representative.

35. A transfer of the share or other interest of a deceased member of a company made by his legal representative shall, although the legal representative is not

himself a member, be as valid as if he had been a member at the time of the execution of the instrument of transfer.

Inspection of register of members.

36. (1) The register of members, commencing from the date of the registration of the company and the index of members shall be kept at the registered office of the company, and, except when closed under the provisions of this Regulation, shall during business hours (subject to such reasonable restrictions, as the company in general meeting may impose, so that not less than two hours in each day be allowed for inspection) be open to the inspection of any member gratis, and to the inspection of any other person on payment of one rupee, or such less sum as the company may prescribe, for each inspection. Any such member or other person may make extracts therefrom.

(2) Any member or other person may require a copy of the register, or of any part thereof, or of the list and summary required by this Regulation, or any part thereof, on payment of six annas for every hundred words or fractional part thereof required to be copied, and the company shall cause any copy so required by any person to be sent to that person within a period of ten days, exclusive of non-working days and days on which the transfer books of the company are closed, commencing on the day next after the day on which the requirement is received by the company.

(3) If any inspection required under this section is refused or if any copy required under this section is not sent within the proper period the company and every officer of the company who is in default shall be liable in respect of each offence to a fine not exceeding twenty rupees and to a further fine not exceeding twenty rupees for every day during which the refusal or default continues and the Court may by an order compel an immediate inspection of the register and index or direct that copies required shall be sent to the persons requiring them.

Power to close register

37. A company may, on giving seven day's previous notice by advertisement in some newspaper circulating in the district in which the registered office of the company is situate, close the register of members for any time or times not exceeding in the whole forty-five days in each year, but not exceeding thirty days at a time.

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Power of Court to rectify register.

38. (1) If—

(*a*) the name of any person is fraudulently or without sufficient cause entered in or omitted from the register of members of a company; or

(*b*) default is made or unnecessary delay takes place in entering on the register the fact of any person having ceased to be a member, the person aggrieved, or any member of the company, or the company, may apply to the Court for rectification of the register.

(2) The Court may either refuse the application, or may order rectification of the register and payment by the company of any damages sustained by any party aggrieved, and may make such order as to costs as it in its discretion thinks fit.

(3) On any application under this section the Court may decide any question relating to the title of any person who is a party to the application to have his name entered in or omitted from the register, whether the question arises between members or alleged members, or between members or alleged members on the one hand and the company on the other hand; and generally may decide any question necessary or expedient to be decided for rectification of the register:

Provided that the Court may direct an issue to be tried in which any question of law may be raised; and an appeal from the decision on such an issue shall lie in the manner directed by the Code of Civil Procedure, 1911, on the grounds mentioned in section 100 of that Code.

Notice to registrar of rectification of register.

39. In the case of a company required by the Regulation to file a list of its members with the registrar, the Court, when making an order for rectification of the register, shall, by its order, direct notice of the rectification to be filed with the registrar, within a fortnight from the date of the completion of the order.

Register to be evidence.

40. The register of members shall be *prima facie* evidence of any matters by this Regulation directed or authorised to be inserted therein.

Issue of share-warrants to bearer.

43. (1) A company limited by shares, if so authorised by its articles, may, with respect to any fully paid-up shares, or to stock, issue under its common seal a warrant stating that the bearer of the warrant is entitled to the shares or stock therein specified, and may provide, by coupons or otherwise, for the payment of the future

dividends on the shares or stock included in the warrant, in this Regulation termed a share-warrant.

(2) Nothing in this section shall apply to a private company.

44. A share-warrant shall entitle the bearer thereof to the shares or stock therein specified, and the shares or stock may be transferred by delivery of the warrant. Effect of share-warrant.

45. The bearer of a share-warrant shall, subject to the articles of the company, be entitled, on surrendering it for cancellation, to have his name entered as a member in the register of members; and the company shall be responsible for any loss incurred by any person by reason of the company entering in its register the name of a bearer of a share-warrant in respect of the shares or stock therein specified without the warrant being surrendered and cancelled. Registration of name of bearer of share-warrant.

46. The bearer of a share-warrant may, if the articles of the company so provide, be deemed to be a member of the company within the meaning of this Regulation, either to the full extent or for any purposes defined in the articles, except that he shall not be qualified in respect of the shares or stock specified in the warrant for being a director or manager of the company, in cases where such a qualification is required by the articles. Position of bearer of share-warrant.

47. (1) On the issue of a share-warrant, the company shall strike out of its register of members the name of the member then entered therein as holding the shares or stock specified in the warrant as if he had ceased to be a member, and shall enter in the register the following particulars, namely:— Entries in register when share-warrant issued.

(*i*) the fact of the issue of the warrant;

(*ii*) a statement of the shares or stock included in the warrant, distinguishing each share by its number; and

(*iii*) the date of the issue of the warrant.

(2) If a company makes default in complying with the requirements of this section, it shall be liable to a fine not exceeding fifty rupees for every day during which the default continues, and every officer of the company who knowingly and wilfully continues or permits the default shall be liable to the like penalty.

48. Until the warrant is surrendered, the above particulars shall be deemed to be the particulars required by this Regulation to be entered in the register of members; and, on the surrender, the date of the surrender Surrender of share-warrant

shall be entered as if it were the date at which a person ceased to be a member.

Power of company to drrange for aifferent amounts being paid on shares.

49. A company, if so authorised by its articles, may do any one or more of the following things, namely :—

(1) make arrangements on the issue of shares for a difference between the shareholders in the amounts and times of payment of calls on their shares;

(2) accept from any member who assents thereto the whole or a part of the amount remaining unpaid on any shares held by him although no part of that amount has been called up;

(3) pay dividend in proportion to the amount paid up on each share, where a larger amount is paid up on some shares than on others.

Power of company limited by shares to alter its share capital.

50. (1) A company limited by shares, if so authorised by its articles, may alter the conditions of its memorandum as follows (that is to say), it may—

(*a*) increase its share capital by the issue of new shares of such amount as it thinks expedient;

(*b*) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

(*c*) convert all or any of its paid-up shares into stock and re-convert that stock into paid-up shares of any denomination;

(*d*) sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the memorandum, so however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;

(*e*) cancel shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled.

(2) The powers conferred by this section must be exercised by the company in general meeting.

(3) A cancellation of shares in pursuance of this section shall not be deemed to be a reduction of share capital within the meaning of this Regulation.

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(4) The company shall file with the registrar notice of the exercise of any power referred to in clause (*d*) or clause (*e*) of sub-section (1) within fifteen days from the exercise thereof.

Notice to registrar of consolidation of share capital, conversion of share into stock, etc.

51. (1) Where a company having a share capital has consolidated and divided its share capital into shares of larger amount than its existing shares or converted any of its shares into stock, or re-converted stock into shares, it shall, within fifteen days of the consolidation and division, conversion or re-conversion, file notice with the registrar of the same, specifying the share consolidated and divided, or converted, or the stock re-converted.

(2) If a company makes default in complying with the requirements of this section, it shall be liable to a fine not exceeding fifty rupees for every day during which the default continues, and every officer of the company who knowingly and wilfully authorises or permits the default shall be liable to the like penalty.

Effect of conversion of shares into stock.

52. Where a company having a share capital has converted any of its shares into stock, and filed notice of the conversion with the registrar, all the provisions of this Regulation which are applicable to shares only shall cease as to so much of the share capital as is converted into stock; and the register of members of the company, and the list of members to be filed with the registrar, shall show the amount of stock held by each member instead of the amount of shares and the particulars relating to shares hereinbefore required by this Regulation.

Notice of increase of share capital or of members.

53. (1) Where a company having a share capital, whether its shares have or have not been converted into stock, has increased its share capital beyond the registered capital, and where a company not having a share capital has increased the number of its members beyond the registered number, it shall file with the registrar, in the case of an increase of share capital, within fifteen days after the passing of the resolution authorising the increase, and in the case of an increase of members within fifteen days after the increase was resolved on or took place, notice of the increase of capital or members, and the registrar shall record the increase.

(2) The notice to be given as aforesaid shall include particulars of the classes of shares affected and the conditions (if any) subject to which the new shares are to be issued.

(3) If a company makes a default in complying with the requirements of this section, it shall be liable to a fine not exceeding fifty rupees for every day during which the default continues, and every officer of the company who knowingly and wilfully authorises or permits the default shall be liable to the like penalty.

Reorganisation of share capital.

54. (1) A company limited by shares may, by special resolution confirmed by an order of the Court, modify the conditions contained in its memorandum so as to reorganize its share capital, whether by the consolidation of shares of different classes or by the division of its shares into shares of different classes :

Provided that no preference or special privilege attached to or belonging to any class of shares shall be interfered with except by resolution passed by a majority in number of shareholders of that class holding three-fourths of the share capital of that class, and every resolution so passed shall bind all shareholders of the class.

(2) Where an order is made under this section, a certified copy thereof shall be filed with the registrar within twenty-one days after the making of the order or within such further time as the Court may allow, and the resolution shall not take effect until such a copy has been so filed.

Reduction of Share Capital.

Restrictions on purchase by company or loans by company for purchase of its own shares.

54-A. (1) No company limited by shares shall have power to buy its own shares or the shares of a public company of which it is a subsidiary company unless the consequent reduction of capital is effected and sanctioned in the manner provided by sections 55 to 66.

(2) No company limited by shares other than a private company, not being a subsidiary company of a public company, shall give, whether directly or indirectly, and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase made or to be made by any person of any shares in the company :

Provided that nothing in this section shall be taken to prohibit, where the lending of money is part of the ordinary business of a company, the lending of money by the company in the ordinary course of its business.

(3) If a company acts in contravention of this section, the company and every officer of the company

who is knowingly and wilfully in default shall be liable to a fine not exceeding one thousand rupees.

(4) Nothing in this section shall affect the right of a company to redeem any shares issued under section 105-B.

55. (1) Subject to confirmation by the Court, a company limited by shares, if so authorised by its articles, may by special resolution reduce its share capital in any way, and in particular (without prejudice to the generality of the foregoing power) may— Reduction of share capital.

(*a*) extinguish or reduce the liability on any of its shares in respect of share capital not paid up; or

(*b*) either with or without extinguishing or reducing liability on any of its shares cancel any paid-up share capital which is lost or unrepresented by available assets; or

(*c*) either with or without extinguishing or reducing liability on any of its shares, pay off any paid-up share capital which is in excess of the wants of the company;

and may, if and so far as is necessary, alter its memorandum by reducing the amount of its share capital and of its shares accordingly.

(2) A special resolution under this section is in this Regulation called a resolution for reducing share capital.

56. Where a company has passed a resolution for reducing share capital, it may apply by petition to the Court for an order confirming the reduction. Application to Court for confirming order.

57. On and from the passing by a company of a resolution for reducing share capital, or where the reduction does not involve either the diminution of any liability in respect of unpaid share capital, or the payment to any shareholder of any paid-up share capital, then on and from the making of the order confirming the reduction, the company shall add to its name, until such date as the Court may fix, the words "and reduced" as the last words in its name, and those words shall, until that date, be deemed to be part of the name of the company: Addition to name of company of "and reduced."

Provided that, where the reduction does not involve either the diminution of any liability in respect of unpaid share capital or the payment to any shareholder of any

paid-up share capital, the Court may, if it thinks expedient, dispense altogether with the addition of the words "and reduced."

Objections by creditors, and settlement of list of objecting creditors.

58. (1) Where the proposed reduction of share capital involves either diminution of liability in respect of unpaid share capital, or the payment to any shareholder of any paid-up share capital, and in any other case if the Court so directs, every creditor of the company who at the date fixed by the Court is entitled to any debt or claim which, if that date were the commencement of the winding up of the company, would be admissible in proof against the company, shall be entitled to object to the reduction.

(2) The Court shall settle a list of creditors so entitled to object, and for that purpose shall ascertain, as far as possible without requiring an application from any creditor, the names of those creditors and the nature and amount of their debts or claims, and may publish notices fixing a day or days within which creditors not entered on the list are to claim to be so entered or are to be excluded from the right of objecting to the reduction.

Power to dispense with consent of creditor on security being given for his debt.

59. Where a creditor entered on the list of creditors whose debt or claim is not discharged or determined does not consent to the reduction, the Court may, if it thinks fit, dispense with the consent of that creditor, on the company securing payment of his debt or claim by appropriating, as the Court may direct, the following amount (that is to say),—

(*i*) if the company admits the full amount of his debt or claim, or, though not admitting it, is willing to provide for it, then the full amount of the debt or claim;

(*ii*) if the company does not admit or is not willing to provide for the full amount of the debt or claim, or if the amount is contingent or not ascertained, then an amount fixed by the Court after the like inquiry and adjudication as if the company were being wound up by the Court.

Order confirming reduction.

60. The Court, if satisfied, with respect to every creditor of the company who under this Regulation is entitled to object to the reduction, that either his consent to the reduction has been obtained or his debt or claim has been discharged or has been determined or has

been secured, may make an order confirming the reduction on such terms and conditions as it thinks fit.

61. (1) The registrar on production to him of an order of the Court confirming the reduction of the share capital of a company, and on the filing with him of a certified copy of the order and of a minute (approved by the Court) showing, with respect to the share capital of the company as altered by the order, the amount of the share capital, the number of shares into which it is to be divided and the amount of each share, and the amount (if any) at the date of the registration deemed to be paid up on each share, shall register the order and minute. Registration of order and minute of reduction.

(2) On the registration, and not before, the resolution for reducing share capital as confirmed by the order so registered shall take effect.

(3) Notice of the registration shall be published in such manner as the Court may direct.

(4) The registrar shall certify under his hand the registration of the order and minute, and his certificate shall be conclusive evidence that all the requirements of this Regulation with respect to reduction of share capital have been complied with, and that the share capital of the company is such as is stated in the minute.

62. (1) The minute when registered shall be deemed to be substituted for the corresponding part of the memorandum of the company, and shall be valid and alterable as if it had been originally contained therein, and shall be embodied in every copy of the memorandum issued after its registration. Minute to form part of memorandum.

(2) If a company makes default in complying with the requirements of this section, it shall be liable to a fine not exceeding ten rupees for each copy in respect of which default is made, and every officer of the company who knowingly and wilfully authorises or permits the default shall be liable to the like penalty.

63. (1) A member of the company, past or present, shall not be liable in respect of any share to any call or contribution exceeding in amount the difference (if any) between the amount paid, or (as the case may be) the reduced amount, if any, which is to be deemed to have been paid, on the share and the amount of the share as fixed by the minute: Liability of members in respect of reduced shares.

Provided that, if any creditor, entitled in respect of any debt or claim to object to the reduction of share capital, is, by reason of his ignorance of the proceedings for

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reduction, or of their nature and effect with respect to his claim entered on the list of creditors, and after the reduction, the company is unable, within the meaning of the provisions of this Regulation with respect to winding up by the Court, to pay the amount of his debt or claim, then—

(*i*) every person who was a member of the company at the date of the registration of the order for reduction and minute, shall be liable to contribute for the payment of that debt, or claim an amount not exceeding the amount which he would have been liable to contribute if the company had commenced to be wound up on the day before that registration; and

(*ii*) if the company is wound up, the Court, on the application of any such creditor and proof of his ignorance as aforesaid, may, if it thinks fit, settle accordingly a list of persons so liable to contribute, and make and enforce calls and orders on the contributories settled on the list as if they were ordinary contributories in a winding up.

(2) Nothing in this section shall affect the rights of the contributories among themselves.

Penalty on concealment of name of creditor.

64. If any officer of the company wilfully conceals the name of any creditor entitled to object to the reduction or wilfully misrepresents the nature or amount of the debt or claim of any creditor, or if any officer of the company abets any such concealment or misrepresentation as aforesaid, every such officer shall be punishable with imprisonment which may extend to one year, or with fine, or with both.

Publication of reasons for reduction.

65. In any case of reduction of share capital, the Court may require the company to publish as the Court directs the reasons for reduction, or such other information in regard thereto as the Court may think expedient with a view to give proper information to the public, and, if the Court thinks fit, the causes which led to the reduction.

Increase and reduction of share capital in case of a company limited by guarantee having a share capital.

66. A company limited by guarantee and registered after the commencement of this Regulation may, if it has a share capital and is so authorised by its articles, increase or reduce its share capital in the same manner and subject to the same conditions in and subject to which a company

limited by shares may increase or reduce its share capital under the provisions of this Regulation.

VARIATION OF SHAREHOLDERS' RIGHTS.

Rights of holders of special classes of shares.

66A. (1) If in the case of a company, the share capital of which is divided into different classes of shares, provision is made by the memorandum or articles for authorising the variation of the rights attached to any class of shares in the company, subject to the consent of any specified proportion of the holders of the issued shares of that class or the sanction of a resolution passed at a separate meeting of the holders of those shares, and in pursuance of the said provision the rights attached to any such class of shares are at any time varied, the holders of not less in the aggregate than ten per cent of the issued shares of that class, being persons who did not consent to or vote in favour of the resolution for the variation, may apply to the Court to have the variation cancelled, and where any such application is made the variation shall not have effect unless and until it is confirmed by the Court.

(2) An application under this section must be made within fourteen days after the date on which the consent was given or the resolution was passed, as the case may be, and may be made on behalf of the shareholders entitled to make the application by such one or more of their number as they may appoint in writing for the purpose.

(3) On any such application the Court, after hearing the applicant and any other persons who apply to the Court to be heard and appear to the Court to be interested in the application, may, if it is satisfied having regard to all the circumstances of the case that the variation would unfairly prejudice the shareholders of the class represented by the applicant, disallow the variation and shall, if not so satisfied, confirm the variation.

(4) The decision of the Court on any such application shall be final.

(5) The company shall within fifteen days after the service on the company of any order made on any such application forward a copy of the order to the registrar and, if default is made in complying with this provision, the company and every officer of the company who is knowingly and wilfully in default shall be liable to a fine not exceeding fifty rupees.

(6) The expression 'variation' in this section includes 'abrogation' and the expression 'varied' shall be construed accordingly.

REGISTRATION OF UNLIMITED COMPANY AS LIMITED.

Registration of unlimited company as limited.

67. (1) Subject to the provisions of this section, any company registered as unlimited may register under this Regulation as limited or any company already registered as a limited company may re-register under this Regulation, but the registration of an unlimited company as a limited company shall not affect any debts, liabilities, obligations or contracts incurred or entered into by, to, with or on behalf of, the company before the registration, and those debts, liabilities, obligations and contracts may be enforced in manner provided by Part VIII of this Regulation in the case of a company registered in pursuance of that part.

(2) On registration in pursuance of this section, the registrar shall close the former registration of the company, and may dispense with the delivery to him of copies of any documents with copies of which he was furnished on the occasion of the original registration of the company; but, save as aforesaid, the registration shall take place in the same manner and shall have effect as if it were the first registration of the company under this Regulation.

Power of unlimited company to provide for reserve share capital on re-registration.

68. An unlimited company having a share capital may, by its resolution for registration as a limited company in pursuance of this Regulation, do either or both of the following things, namely:—

(*a*) increase the nominal amount of its share capital by increasing the nominal amount of each of its shares, but subject to the condition that no part of the amount by which its capital is so increased shall be capable of being called up except in the event and for the purposes of the company being wound up;

(*b*) provide that a specified portion of its uncalled share capital shall not be capable of being called up except in the event and for the purposes of the company being wound up.

RESERVE LIABILITY OF LIMITED COMPANY.

Reserve liability of limited company.

69. A limited company may by special resolution determine that any portion of its share capital which has

not been already called up shall not be capable of being called up, except in the event and for the purposes of the company being wound up, and thereupon that portion of its share capital shall not be capable of being called up except in the event and for the purposes aforesaid.

UNLIMITED LIABILITY OF DIRECTORS.

70. (1) In a limited company the liability of the directors or of any director may, if so provided by the memorandum, be unlimited. Limited company may have directors with unlimited liability.

(2) In a limited company in which the liability of any director is unlimited, the directors of the company (if any)and the member who proposes a person for election or appointment to the office of director shall add to that proposal a statement that the liability of the person holding that office will be unlimited and the promoters and officers of the company, or one of them, shall, before the person accepts the office or acts therein, give him notice in writing that his liability will be unlimited.

(3) If any director or proposer makes default in adding such a statement, or if any promoter or officer of the company makes default in giving such a notice, he shall be liable to a fine not exceeding one thousand rupees and shall also be liable for any damage which the person so elected or appointed may sustain from the default, but the liability of the person elected or appointed shall not be affected by the default.

71. (1) A limited company, if so authorised by its articles, may, by special resolution, alter its memorandum so as to render unlimited the liability of its directors or of any director. Special resolution of limited company making liability of directors unlimited.

(2) Upon the passing of any such special resolution, the provisions thereof shall be as valid as if they had been originally contained in the memorandum.

PART IV.

Management and Administration.

OFFICE AND NAME.

72. (1) A company shall as from the day on which it begins to carry on business, or as from the twenty-eighth day after the date of its incorporation, whichever is the earlier, have a registered office to which all communications and notices may be addressed. Registered Office of Company.

(2) Notice of the situation of the registered office and of any change therein shall be given within twenty-eight days after the date of the incorporation of the company or of the change, as the case may be, to the registrar who shall record the same.

(3) The inclusion in the annual return of a company of the statement as to the address of its registered office shall not be taken to satisfy the obligation imposed by this section.

(4) If a company carries on business without complying with the requirements of this section, it shall be liable to a fine not exceeding fifty rupees for every day during which it so carries on business.

Publication of name by a limited company.

73. Every limited company—

(*a*) shall paint or affix, and keep painted or affixed, its name on the outside of every office or place in which its business is carried on, in a conspicuous position, in letters easily legible and in English and Kannada characters;

(*b*) shall have its name engraven in legible characters on its seal;

(*c*) shall have its name mentioned in legible English or Kannada characters in all bill-heads, and letter paper and in all notices, advertisements and other official publications of the company, and in all bills of exchange, hundis, promissory notes, endorsements, cheques and orders for money or goods purporting to be signed by or on behalf of the company, and in all bills of parcels, invoices, receipts and letters of credit of the company.

Penalties for non-publication of name.

74. (1) If a limited company does not paint or affix, and keep painted or affixed, its name in manner directed by this Regulation, it shall be liable to a fine not exceeding fifty rupees for not so painting or affixing its name, and for every day during which its name is not so kept painted or affixed, and every officer of the company, who knowingly and wilfully authorises or permits the default, shall be liable to the like penalty.

(2) If any officer of a limited company, or any person on its behalf, uses or authorises the use of any seal purporting to be a seal of the company whereon its name is not so engraven as aforesaid, or issues or authorises the issue of any bill-head, letter paper, notice, advertisement or other official publication of the company, or signs or authorises to be signed on behalf of the company

any bill of exchange, hundi, promissory note, endorsement, cheque or order for money or goods, or issues or authorises to be issued any bill of parcels, invoice, receipt or letter of credit of the company wherein its name is not mentioned in manner aforesaid, he shall be liable to a fine not exceeding five hundred rupees, and shall further be personally liable to the holder of any such bill of exchange, hundi, promissory note, cheque or order for money or goods, for the amount thereof, unless the same is duly paid by the company.

Publication of authorised as well as subscribed and paid-up capital.

75. (1) Where any notice, advertisement or other official publication of a company contains a statement of the amount of the authorised capital of the company, such notice, advertisement or other official publication shall also contain a statement, in an equally prominent position and in equally conspicuous characters, of the amount of the capital which has been subscribed and the amount paid up.

(2) Any company which makes default in complying with the requirements of this section and every officer of the company who is knowingly a party to the default shall be liable to a fine not exceeding one thousand rupees.

MEETINGS AND PROCEEDINGS.

Annual General Meeting.

76. (1) A general meeting of every company shall be held within eighteen months from the date of its incorporation and thereafter once at least in every calendar year and not more than fifteen months after the holding of the last preceding general meeting.

(2) If default is made in holding a meeting in accordance with the provisions of this section, the company and every director or manager of the company who is knowingly and wilfully a party to the default shall be liable to a fine not exceeding five hundred rupees.

(3) If default is made as aforesaid, the Court may, on the application of any member of the company, call or direct the calling of a general meeting of the company.

Statutory meeting of company.

77. (1) Every company limited by shares and every company limited by guarantee and having a share capital shall, within a period of not less than one month nor more than six months from the date at which the company is entitled to commence business, hold a general meeting of the members of the company, which shall be called the statutory meeting.

(2) The directors shall, at least twenty-one days before the day on which the meeting is held, forward a report (in this Regulation referred to as the statutory report) certified as required by this section to every member of the company.

(3) The statutory report shall be certified by not less than two directors of the company or by the chairman of the directors if authorised in this behalf by the directors and shall state—

(*a*) the total number of shares allotted, distinguishing shares allotted as fully or partly paid up otherwise than in cash, and stating in the case of shares partly paid up the extent to which they are so paid up, and in either case the consideration for which they have been allotted;

(*b*) the total amount of cash received by the company in respect of all the shares allotted, distinguished as aforesaid;

(*c*) an abstract of the receipts of the company and of the payments made thereout up to a date within seven days of the date of the report, exhibiting under distinctive headings the receipts of the company from shares and debentures and other sources, the payments made thereout, and particulars concerning the balance remaining in hand, and an account or estimate of the preliminary expenses of the company showing separately any commission or discount paid on the issue or sale of shares;

(*d*) the names, addresses and descriptions of the directors, auditors, managing agents and managers, if any, and secretary of the company and the changes, if any, which have occurred since the date of the incorporation;

(*e*) the particulars of any contract, the modification of which is to be submitted to the meeting for its approval, together with the particulars of the modification or proposed modification;

(*f*) the extent to which underwriting contracts, if any, have been carried out;

(*g*) the arrears, if any, due on calls from directors, managing agents and managers; and

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(*h*) the particulars of any commission or brokerage paid or to be paid in connection with the issue or sale of shares to any director, managing agent or manager or a partner of the managing agent if the managing agent is a firm or if the managing agent is a private company a director thereof.

(4) The statutory report shall, so far as it relates to the shares allotted by the company, and to the cash received in respect of such shares and to the receipts and payments of the company, be certified as correct by the auditors of the company.

(5) The directors shall cause a copy of the statutory report certified as required by this section to be delivered to the registrar for registration forthwith after the sending thereof to the members of the company.

(6) The directors shall cause a list showing the names, descriptions and addresses of the members of the company, and the number of shares held by them respectively, to be produced at the commencement of the meeting, and to remain open and accessible to any member of the company during the continuance of the meeting.

(7) The members of the company present at the meeting shall be at liberty to discuss any matter relating to the formation of the company or arising out of the statutory report, whether previous notice has been given or not, but no resolution of which notice has not been given in accordance with the articles may be passed.

(8) The meeting may adjourn from time to time, and at any adjourned meeting any resolution of which notice has been given in accordance with the articles, either before or subsequently to the former meeting, may be passed, and the adjourned meeting shall have the same powers as an original meeting.

(9) If a petition is presented to the Court in manner provided by Part V for winding up the company on the ground of default in filing the statutory report or in holding the statutory meeting, the Court may, instead of directing that the company be wound up, give directions for the statutory report to be filed or a meeting to be held, or make such other order as may be just.

(10) In the event of any default in complying with the provisions of this section every director of the company who is guilty of or who knowingly and wilfully

authorises or permits the default shall be liable to a fine not exceeding five hundred rupees.

(11) This section shall not apply to a private company.

Amendment of section 78, Regulation VIII of 1917.

78. (1) Notwithstanding anything in the articles, the directors of a company which has a share capital shall, on the requisition of the holders of not less than one-tenth of the issued share capital of the company upon which all calls or other sums then due have been paid, forthwith proceed to call an extraordinary general meeting of the company.

Calling of extraordinary general meeting on requisition.

(2) The requisition must state the objects of the meeting, and must be signed by the requisitionists and deposited at the registered office of the company, and may consist of several documents in like form, each signed by one or more requisitionists.

(3) If the directors do not proceed within twenty-one days from the date of the requisition being so deposited to cause a meeting to be called, the requisitionists, or a majority of them in value, may themselves call the meeting, but in either case any meeting so called shall be held within three months from the date of the deposit of the requisition.

(4) Any meeting called under this section by the requisitionists shall be called in the same manner, as nearly as possible, as that in which meetings are to be called by directors.

(5) Any reasonable expenses incurred by the requisitionists by reason of the failure of the directors duly to convene a meeting shall be repaid to the requisitionists by the company, and any sum so repaid shall be retained by the company out of any sums due or to become due from the company by way of fees or other remuneration for their services to such of the directors as were in default.

Provisions as to meetings and votes.

79. (1) The following provisions shall have effect with respect to meetings of a company other than a private company not being a subsidiary of a public company and the procedure thereat, notwithstanding any provision made in the articles of the company in this behalf:—

(*a*) a meeting of a company other than a meeting for the passing of a special resolution may be called by not less than fourteen days' notice in writing; but with the consent of all the

members entitled to receive notice of some particular meeting that meeting may be convened by such shorter notice and in such manner as those members may think fit;

(*b*) notice of the meeting of a company with a statement of the business to be transacted at the meeting shall be served on every member in the manner in which notices are required to be served by Table A and for the purpose of this clause the expression "Table A" means that table as for the time being in force; but the accidental omission to give notice to, or the non-receipt of notice by, any member shall not invalidate the proceedings at any meeting;

(*c*) five members present in person or by proxy, or the chairman of the meeting, or any member or members holding not less than one-tenth of the issued capital which carries voting rights shall be entitled to demand a poll: Provided that in the case of a private company if not more than seven members are personally present, one member, and if more than seven members are personally present, two members shall be entitled to demand a poll;

(*d*) an instrument appointing a proxy, if in the form set out in Regulation 67 of Table A, shall not be questioned on the ground that it fails to comply with any special requirements specified for such instruments by the articles; and

(*e*) any shareholder whose name is entered in the register of shareholders of the company shall enjoy the same rights and be subject to the same liabilities as all other shareholders of the same class.

(2) The following provisions shall have effect in so far as the articles of the company do not make other provision in that behalf:—

(*a*) two or more members holding not less than one-tenth of the total share capital paid-up or, if the company has not a share capital, not less than five per cent in number of the members of the company may call a meeting;

(*b*) in the case of a private company two members and in the case of any other company five members personally present shall be a quorum;

(c) any member elected by the members present at a meeting may be chairman thereof;

(d) in the case of a company originally having a share capital, every member shall have one vote in respect of each share or each hundred rupees of stock held by him, and in any other case every member shall have one vote;

(e) on a poll votes may be given either personally or by proxy;

(f) the instrument appointing a proxy shal be in writing under the hand of the appointer or of his attorney duly authorised in writing, or if the appointer is a corporation, either under seal or under the hand of an officer or an attorney duly authorised; and

(g) a proxy must be a member of the company.

(3) If for any reason it is impracticable to call a meeting of a company in any manner in which meetings of that company may be called or to conduct the meeting of the company in manner prescribed by the articles or this Regulation, the Court may, either of its own motion or on the application of any director of the company or of any member of the company who would be entitled to vote at the meeting, order a meeting of the company to be called, held and conducted in such manner as the Court thinks fit, and where any such order is given may give such ancillary or consequential directions as it thinks expedient, and any meeting called, held and conducted in accordance with any such order shall for all purposes be deemed to be a meeting of the company duly called, held and conducted.

Representation of companies at meetings of other companies of which they are members.

80. A company which is a member of another company may, by resolution of the directors, authorise any of its officials or any other person to act as its representative at any meeting of that other company, and the person so authorised shall be entitled to exercise the same powers on behalf of the company which he represents as if he were an individual shareholder of that other company.

Extraordinary and special resolution.

81. (1) A resolution shall be an extraordinary resolution when it has been passed by a majority of not less than three-fourths of such members entitled to vote as are present in person or by proxy (where proxies are allowed) at a general meeting of which notice specifying

the intention to propose the resolution as an extraordinary resolution has been duly given.

(2) A resolution shall be a special resolution when it has been passed by such a majority as is required for the passing of an extraordinary resolution and at a general meeting of which not less than twenty-one days' notice specifying the intention to propose the resolution as a special resolution has been duly given:

Provided that, if all the members entitled to attend and vote at any such meeting so agree, a resolution may be proposed and passed as a special resolution at a meeting of which less than twenty-one days' notice has been given."

(3) At any meeting at which an extraordinary resolution or a special resolution is submitted to be passed, a declaration of the chairman on a show of hands that the resolution is carried shall, unless a poll is demanded, be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

(4) At any meeting at which an extraordinary resolution or a special resolution is submitted to be passed, a poll may be demanded.

(5) In a case where a poll is demanded, it may, in accordance with the articles, be taken in such manner as the chairman may direct; it may, if the chairman so directs, be taken at the meeting at which it is demanded.

(6) When a poll is demanded in accordance with this section, in computing the majority on the poll, reference shall be had to the number of votes to which each member is entitled by the articles of the company or under this Regulation.

(7) For the purposes of this section notice of a meeting shall be deemed to be duly given and the meeting to be duly held when the notice is given and the meeting held in manner provided by the articles or under this Regulation.

82. (1) A copy of every special and extraordinary resolution shall, within fifteen days from the passing thereof be printed or typewritten and duly certified under the signature of an officer of the company and filed with the registrar who shall record the same.

Registration and copies of special and extraordinary resolutions.

(2) Where articles have been registered, a copy of every special resolution for the time being in force shall be embodied in or annexed to every copy of the articles issued after the date of the resolution.

(3) Where articles have not been registered, a copy of every special resolution shall be forwarded in print to any member at his request, on payment of one rupee or such less sum as the company may direct.

(4) If a company makes default in so filing with the registrar a copy of a special or extraordinary resolution, it shall be liable to a fine not exceeding twenty rupees for evey day during which the default continues.

(5) If a company makes default in embodying in or annexing to a copy of its articles or in forwarding in print to a member, when required by this section, a copy of a special resolution, it shall be liable to a fine not exceeding ten rupees for each copy in respect of which default is made.

(6) Every officer of a company who knowingly and wilfully authorises or permits any default by the company in complying with the requirements of this section shall be liable to the like penalty as is imposed by this section on the company for that default.

Minutes of proceedings of general meetings and directors.

83. (1) Every company shall cause minutes of all proceedings of general meetings and of its directors to be entered in books kept for that purpose.

(2) Any such minute, if purporting to be signed by the chairman of the meeting at which the proceedings were had, or by the chairman of the next succeeding meeting, shall be evidence of the proceedings.

(3) Until the contrary is proved, every general meeting of the company or meeting of directors in respect of the proceedings whereof minutes have been so made shall be deemed to have been duly called and held, and all proceedings had thereat to have been duly had, and all appointments of directors or liquidators shall be deemed to be valid.

(4) The books containing the minutes of proceedings of any general meeting of a company held after the commencement of this Regulation, shall be kept at the registered office of the company and shall during business hours (subject to such reasonable restrictions as the company may by its articles or in general meeting impose so that no less than two hours in each day be

allowed for inspection) be open to the inspection of any member without charge.

(5) Any member shall at any time after seven days from the meeting be entitled to be furnished within seven days after he has made a request in that behalf to the company with a copy of any minutes referred to in sub-section (4) at a charge not exceeding six annas for every hundred words.

(6) If any inspection required under sub-section (4) of this section is refused or, if any copy required under sub-section (5) of this section is not furnished within the time specified in sub-section (5) the company and every officer of the company who is knowingly and wilfully in default shall be liable in respect of each offence to a fine not exceeding twenty-five rupees and to a further fine to twenty-five rupees for every day during which the default continues.

(7) In the case of any such refusal or default, the Court may by order compel an immediate inspection of the books in respect of all proceedings of general meetings or direct that the copies required shall be sent to the persons requiring them.

DIRECTORS.

Directors obligatory.

83A. (1) Every company shall have at least three directors.

(2) This section shall not apply to a private company, except a private company being a subsidiary company of a public company.

Appointment of directors.

83B. (1) In default of and subject to any regulations in the articles of a company other than a private company—

(*i*) the subscribers of the memorandum shall be deemed to be the directors of the company until the first directors shall have been appointed;

(*ii*) the directors of the company shall be appointed by the members in general meeting; and

(*iii*) any casual vacancy occurring among the directors may be filled up by the directors, but the person so appointed shall be subject to retirement at the same time as if he had become a director on the day on which the director in whose place he is appointed was last appointed a director.

(2) Notwithstanding anything contained in the articles of a company other than a private company not less than two-thirds of the whole number of directors shall be persons whose period of office is liable to determination at any time by retirement of directors in rotation:

Provided that nothing herein contained shall apply to a company incorporated before the commencement of this Regulation, where by virtue of the articles of the company the number of directors whose period of office is liable to determination at any time by retirement of directors in rotation falls below the two-thirds proportion mentioned in this section.

Restrictions on appointment or advertisement of director.

84. (1) A person shall not be capable of being appointed director of a company by the articles, and shall not be named as a director or proposed director of a company in any prospectus issued by or on behalf of the company or in relation to any intended company or in any statement in lieu of prospectus filed by or on behalf of a company, unless, before the registration of the articles or the publication of the prospectus, or the filing of the statement in lieu of prospectus, as the case may be, he has, by himself or by his agent authorised in writing—

(*i*) signed and filed with the registrar a consent in writing to act as such director; and

(*ii*) save in the case of companies not having a share capital, either signed the memorandum for a number of shares not less than his qualification (if any), or taken from the company and paid or agreed to pay for his qualification shares, or signed and filed with the registrar a contract in writing to take from the company and pay for his qualification shares (if any), or made and filed with the registrar an affidavit to the effect that a number of shares, not less than his qualification (if any), are registered in his name.

(2) On the application for registration of the memorandum and articles, if any, of a company, the applicant shall file with the registrar a list of the persons who have consented to be directors of the company, and, if this list contains the name of any person who has not so consented, the applicant shall be liable to a fine not exceeding five hundred rupees.

(3) This section shall not apply to a private company or a company which was a private company before

becoming a public company nor to a prospectus issued by or on behalf of a company after the expiration of one year from the date at which the company is entitled to commence business.

Qualification of director.

85. (1) Without prejudice to the restrictions imposed by section 84, it shall be the duty of every director who is by the articles required to hold a specified share qualification, and who is not already qualified, to obtain his qualification within two months after his appointment, or such shorter time as may be fixed by the articles.

(2) If after the expiration of the said period or shorter time, any unqualified person acts as a director of the company, he shall be liable to a fine not exceeding fifty rupees for every day between the expiration of the said period or shorter time and the last day on which it is proved that he acted as a director.

Validity of acts of directors.

86. The acts of a director shall be valid notwithstanding any defect that may afterwards be discovered in his appointment or qualification:

Provided that nothing in this section shall be deemed to give validity to acts done by a director after the appointment of such director has been shown to be invalid.

Ineligibility of bankrupt to act as director.

86A. (1) If any person being an undischarged insolvent acts as director or managing agent or manager of any company, he shall be liable to imprisonment for a term not exceeding two years or to a fine not exceeding one thousand rupees or to both.

(2) In this section the expression 'company' includes a company incorporated outside Mysore which has an established place of business within Mysore.

Assignment of office by directors.

86B. If in the case of any company provision is made by the articles or by any agreement entered into between any person and the company for empowering a director or manager of the company to assign his office as such to another person, any assignment of office made in pursuance of the said provision shall, notwithstanding anything to the contrary contained in the said provision, be of no effect unless and until it is approved by a special resolution of the company.

Avoidance of provisions relieving liability of directors.

86C. Save as provided in this section, any provision, whether contained in the articles of a company or in any contract with a company or otherwise, for exempting any director, manager or officer of the company or any

person (whether an officer of the company or not) employed by the company as auditor from or indemnifying him against any liability which by virtue of any rule of law would otherwise attach to him in respect of any negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the company shall be void:

Provided that—

(*a*) in relation to any such provision which is in force at the date of the commencement of this Regulation, this section shall have effect only on the expiration of a period of six months from that date, and

(*b*) nothing in this section shall operate to deprive any person of any exemption or right to be indemnified in respect of anything done or omitted to be done by him while any such provision was in force, and

(*c*) notwithstanding anything in this section, a company may, in pursuance of any such provision as aforesaid, indemnify any such director, manager, officer or auditor against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted, or in connection with any application under section 281 of this Regulation in which relief is granted to him by the Court.

Loans of directors.

86D. (1) No company shall make any loan or guarantee any loan made to a director of the company or to a firm of which such director is a partner or to a private company of which such director is a director.

(2) In the event of any contravention of sub-section (1) any director of the company who is a party to such contravention shall be punishable with fine which may extend to five hundred rupees, and if default is made in repayment of the loan or in discharging the guarantee shall be liable jointly and severally for the amount unpaid.

(3) This section shall not apply to a private company (except a private company which is the subsidiary company of a public company) or to a banking company.

Director not to hold office of profit.

86E. No director or firm of which such director is a partner or private company of which such director is a director shall without the consent of the company in general meeting hold any office of profit under the company except that of a managing director or manager or a legal or technical adviser or a banker:

Provided that nothing herein contained shall apply to a director elected or appointed before the commencement of this Regulation in respect of any office of profit under the company held by him at the commencement of this Regulation.

Explanation.—For the purposes of this section the office of managing agent shall not be deemed to be an office of profit under the company.

Sanction of directors necessary for certain contracts.

86F. Except with the consent of the directors, a director of the company, or the firm of which he is a partner or any partner of such firm, or the private company of which he is a member or director, shall not enter into any contracts for the sale, purchase or supply of goods and materials with the company, provided that nothing herein contained shall affect any such contract or agreement for such sale, purchase or supply entered into before the commencement of this Regulation.

Removal of directors.

86G. (1) The company may by extraordinary resolution remove any director, whose period of office is liable to determination at any time by retirement of directors in rotation, before the expiration of his period of office and may, by ordinary resolution appoint another person in his stead. The person so appointed shall be subject to retirement at the same time as if he had become a director on the day on which the director in whose place he is appointed was last elected director. A director so removed shall not be reappointed a director by the board of directors.

(2) This section shall not apply to directors elected or appointed before the commencement of this Regulation.

Restrictions on powers of directors.

86H. The directors of a public company or of a subsidiary company of a public company shall not, except with the consent of the company concerned in general meeting,—

(*a*) sell or dispose of the undertaking of the company;

(*b*) remit any debt due by a director.

Vacation of office of director.

86I. (1) The office of a director shall be vacated if—

(*a*) he fails to obtain within the time specified in sub-section (1) of section 85 or, at any time thereafter ceases to hold, the share qualification, if any, necessary for his appointment, or

(*b*) he is found to be of unsound mind by a Court of competent jurisdiction, or

(*c*) he is adjudged an insolvent, or

(*d*) he fails to pay calls made on him in respect of shares held by him within six months from the date of such calls being made, or

(*e*) he or any firm of which he is a partner or any private company of which he is a director without the sanction of the company in general meeting accepts or holds any office of profit under the company other than that of a managing director or manager or a legal or technical adviser or a banker, or

(*f*) he absents himself from three consecutive meetings of the directors or from all meetings of the directors for a continuous period of three months whichever is the longer without leave of absence from the board of directors, or

(*g*) he or any firm of which he is a partner or any private company of which he is a director accepts a loan or guarantee from the company in contravention of section 86D, or

(*h*) he acts in contravention of section 86F.

(2) Nothing contained in this section shall be deemed to preclude a company from providing by its articles that the office of director shall be vacated on grounds additional to those specified in this section.

Register of directors, managers and managing agents.

87. (1) Every company shall keep at its registered office a register of its directors, managers and managing agents containing with respect to each of them the following particulars, that is to say :—

(*a*) in the case of an individual, his present name in full, any former name or surname in full, his usual residential address, his nationality and, if that nationality is not the nationality of origin, his nationality of origin and his business occupation, if any, and if he holds any other directorship or directorships the particulars of such directorship or directorships ;

(*b*) in the case of a corporation, its corporate name and registered or principal office ; and the full name, address and nationality of each of its directors ; and

(c) in the case of a firm, the full name, address and nationality of each partner, and the date on which each became a partner.

(2) The company shall within the periods respectively mentioned in this sub-section send to the registrar a return in the prescribed form containing the particulars specified in the said register and a notification in the prescribed form of any change among its directors, managers or managing agents or in any of the particulars contained in the register.

The period within which the said return is to be sent shall be a period of fourteen days from the appointment of the first directors of the company and the period within which the said notification of a change is to be sent shall be fourteen days from the happening thereof.

(3) The register to be kept under this section shall during business hours (subject to such reasonable restrictions as the company may by its articles or in general meeting impose, so that not less than two hours in each day be allowed for inspection) be open to the inspection of any member of the company without charge and of any other person on payment of one rupee or such less sum as the company may impose for each inspection.

(4) If any inspection required under this section is refused or if default is made in complying with sub-section (1) or sub-section (2) of this section, the company and every officer of the company who is knowingly and wilfully in default shall be liable to a fine of fifty rupees.

(5) In the case of any such refusal, the Court on application made by the person to whom inspection has been refused and upon notice to the company may by order direct an immediate inspection of the register.

Managing Agents.

Duration of appointment of managing agents.

87A. (1) No managing agent shall, after the commencement of this Regulation, be appointed to hold office for a term of more than twenty years at a time.

(2) Notwithstanding anything to the contrary contained in the articles of a company or in any agreement with the company a managing agent of a company appointed before the commencement of this Regulation shall not continue to hold office after the expiry of twenty years from the commencement of this Regulation unless then reappointed thereto or unless he has been reappointed thereto before the expiry of the said twenty years.

(3) A managing agent whose office is terminated by virtue of the provisions of sub-section (2) shall upon such termination be entitled to a charge upon the assets of the company by way of indemnity for all liabilities or obligations properly incurred by the managing agent on behalf of the company subject to existing charges and encumbrances, if any.

(4) The termination of the office of a managing agent by virtue of the provisions of sub-section (2) shall not take effect until all moneys payable to the managing agent for loans made to or remuneration due up to the date of such termination from the company are paid.

(5) Nothing in this section shall apply to a private company which is not the subsidiary company of a public company.

Conditions applicable to managing agents.

87B. Notwithstanding anything to the contrary contained in the articles of the company or in any agreement with the company—

(*a*) a company may, by resolution passed at a general meeting of which notice has been given to the managing agent in the same manner as to members of the company, remove a managing agent if he is convicted of an offence in relation to the affairs of the company punishable under the Indian Penal Code, and being under the provisions of the Code of Criminal Procedure, 1904, non-bailable; and for the purposes of this clause, where the managing agent is a firm or company an offence committed by a member of such firm or a director of or an officer holding a general power of attorney from such company shall be deemed to be an offence committed by such firm or company:

Provided that a managing agent shall not be liable to be removed under the provisions hereof if the offending member, director or officer as aforesaid is expelled or dismissed by the managing agent within thirty days from the date of his conviction or if his conviction is set aside on appeal;

(*b*) the office of a managing agent shall be vacated if he is adjudged insolvent;

(*c*) a transfer of his office by a managing agent shall be void unless approved by the company in general meeting:

Provided that in the case of a managing agent's firm a change in the partners thereof shall not be deemed to operate as a transfer of the office of managing agent,

so long as one of the original partners shall continue to be a partner of the managing agent's firm. For the purpose of this proviso 'original partners' shall mean, in the case of managing agents appointed before the commencement of this Regulation, partners who were partners at the date of the commencement of this Regulation, and in the case of managing agents appointed after the commencement of this Regulation, partners who were partners at the date of the appointment;

(*d*) a charge or assignment of his remuneration or any part thereof effected by a managing agent shall be void as against the company;

(*e*) if a company is wound up either by the Court or voluntarily, any contract of management made with a managing agent shall be thereupon determined without prejudice, however, to the right of the managing agent to recover any moneys recoverable by the managing agent from the company:

Provided that where the Court finds that the winding up is due to the negligence or default of the managing agent himself the managing agent shall not be entitled to receive any compensation for the premature termination of his contract of management; and

(*f*) the appointment of a managing agent, the removal of a managing agent and any variation of a managing agent's contract of management made after the commencement of this Regulation, shall not be valid unless approved by the company by a resolution at a general meeting of the company notwithstanding anything to the contrary in section 86E:

Provided that nothing herein contained shall apply to the appointment of a company's first managing agent made prior to the issue of the prospectus or statement in lieu of prospectus where the terms of the appointment of such managing agent are there set forth.

Remuneration of managing agent.

87C. (1) Where any company appoints a managing agent after the commencement of this Regulation, the remuneration of the managing agent shall be a sum based on a fixed percentage of the net annual profits of the company, with provision for a minimum payment in the case of absence of or inadequacy of profits, together with an office allowance to be defined in the agreement of management.

(2) Any stipulation for remuneration additional to or in any other form than the remuneration specified in

sub-section (1) shall not be binding on the company unless sanctioned by a special resolution of the company.

(3) For the purposes of this section 'net profits' means the profits of the company calculated after allowing for all the usual working charges, interest on loans and advances, repairs and outgoings, depreciation, bounties or subsidies received from Government or from a public body, profits by way of premium on shares sold, profits on sale proceeds of forfeited shares, or profits from the sale of the whole or part of the undertaking of the company but without any deduction in respect of income-tax or super-tax, or any other tax or duty on income or revenue or for expenditure by way of interest on debentures or otherwise on capital account or on account of any sum which may be set aside in each year out of the profits for reserve or any other special fund.

(4) This section shall not apply to a private company except a private company which is the subsidiary company of a public company or to any company whose principal business is the business of insurance.

Loans to managing agents.

87D. (1) No company shall make to a managing agent of the company or to any partner of the firm, if the managing agent is a firm, or to any director of the private company, if the managing agent is a private company, any loan out of moneys of the company or guarantee any loan made to a managing agent.

(2) Nothing contained in this section shall apply to any credit held by a managing agent in a current account maintained subject to limits previously approved by the board of directors by the company with the managing agent for the purposes of the company's business.

(3) In the event of any contravention of sub-section (1) any director of the company who is a party to the making of the loan or giving of the guarantee shall be punishable with fine which may extend to five hundred rupees, and if default is made in repayment of the loan or discharging the guarantee shall be liable jointly and severally for the amount unpaid.

(4) Nothing in this section shall apply to a private company except a private company which is the subsidiary company of a public company.

(5) Except with the consent of three-fourths of the directors present and entitled to vote on the resolution, a managing agent of the company, or the firm of which

he is a partner, or any partner of such firm, or, if the managing agent is a private company, a member or director thereof, shall not enter into any contract for the sale, purchase or supply of goods and materials with the company, provided that nothing herein contained shall affect any such contract for such sale, purchase or supply entered into before the commencement of this Regulation.

Loans to or by companies under the same management.

87E. (1) No company incorporated under this Regulation, which is under the management of a managing agent shall make any loan to or guarantee any loan made to any company under management by the same managing agent, and no company shall after the expiry of six months from the commencement of this Regulation except by way of renewal of an existing loan or guarantee given make any loan to or guarantee any loan made to any such company :

Provided that nothing herein contained shall apply to loans made or guarantees given by a company to or on behalf of a company under its own management or loans made by or to a company to or by a subsidiary company thereof or to guarantees given by a company on behalf of a subsidiary company thereof.

(2) In the event of any contravention of the provisions of this section, any director or officer of the company making the loan or giving the guarantee who is knowingly and wilfully in default shall be liable to a fine not exceeding one thousand rupees and shall be jointly and severally liable for any loss incurred by the company in respect of such loan or guarantee.

Purchase by company of shares of company under the same managing agent.

87F. A company other than an investment company, that is to say, a company whose principal business is the acquisition and holding of shares, stocks, debentures or other securities, shall not purchase shares or debentures of any company under management by the same managing agent, unless the purchase has been previously approved by an unanimous decision of the board of directors of the purchasing company.

Restriction on managing agent's powers of management.

87G. A managing agent shall not exercise in respect of any company of which he is a managing agent a power to issue debentures or, except with the authority of the directors, and within the limits fixed by them, a power to invest the funds of the company, and any delegation of any such power by a company to a managing agent shall be void.

Managing agent not to engage in business competing with the business of managed company.

87H. A managing agent shall not on his own account engage in any business which is of the same nature as and directly competes with the business carried on by a company under his management or by a subsidiary company of such company.

Limit on number of directors appointed by managing agent.

87I. Notwithstanding anything contained in the articles of a company other than a private company the directors, if any, appointed by the managing agent shall not exceed in number one-third of the whole number of directors.

CONTRACTS.

Form of contracts.

88. (1) Contracts on behalf of a company may be made as follows (that is to say) :—

(*i*) any contract which, if made between private persons, would be by law required to be in writing, signed by the parties to be charged therewith, may be made on behalf of the company, in writing signed by any person acting under its authority, express or implied, and may in the same manner be varied or discharged;

(*ii*) any contract which, if made between private persons, would by law be valid although made by parol only, and not reduced into writing, may be made by parol on behalf of the company by any person acting under its authority, express or implied, and may in the same manner be varied or discharged.

(2) All contracts made according to this section shall be effectual in law and shall bind the company and its successors and all other parties thereto, their heirs, or legal representatives, as the case may be.

Bills of exchange and promissory notes.

89. A bill of exchange, hundi or promissory note shall be deemed to have been made, drawn, accepted or endorsed on behalf of a company if made, drawn, accepted or endorsed in the name of, or by or on behalf or on account of, the company by any person acting under its authority, express or implied.

Execution of deeds abroad.

90. A company may, by writing under its common seal, empower any person, either generally or in respect of any specified matters, as its attorney, to execute deeds on its behalf in any place either in or outside Mysore; and every deed signed by such attorney, on behalf of the company, and under his seal, where sealing is required,

shall bind the company, and have the same effect as if it were under its common seal.

Power for company to have official seal for use abroad.

91. (1) A company whose objects require or comprise the transaction of business beyond the limits of Mysore may, if authorised by its articles, have for use in any territory, district or place not situate in Mysore, an official seal, which shall be a facsimile of the common seal of the company, with the addition on its face of the name of every territory, district or place where it is to be used.

(2) A company having such an official seal may, by writing under its common seal, authorise any person appointed for the purpose in any territory, district or place not situate in Mysore to affix the same to any deed or other document to which the company is party in that territory, district or place.

(3) The authority of any such agent shall, as between the company and any person dealing with the agent, continue during the period (if any) mentioned in the instrument conferring the authority, or if no period is there mentioned, then until notice of the revocation or determination of the agent's authority has been given to the person dealing with him.

(4) The person affixing any such official seal shall, by writing under his hand, on the deed or other document to which the seal is affixed, certify the date and place of affixing the same.

(5) A deed or other document to which an official seal is duly affixed shall bind the company as if it had been sealed with the common seal of the company.

Disclosure of interest by director.

91A. (1) Every director who is directly or indirectly concerned or interested in any contract or arrangement entered into by or on behalf of the company shall disclose the nature of his interest at the meeting of the directors at which the contract or arrangement is determined on, if his interest then exists, or in any other case at the first meeting of the directors after the acquisition of his interest or the making of the contract or arrangement:

Provided that a general notice that a director is a director or a member of any specified company or is a member of any specified firm, and is to be regarded as interested in any subsequent transaction with such firm or company, shall, as regards any such transaction, be sufficient disclosure within the meaning of this sub-section and after such general notice, it shall not be necessary

to give any special notice relating to any particular transaction with such firm or company.

(2) Every director who contravenes the provisions of sub-section (1) shall be liable to a fine not exceeding one thousand rupees.

(3) A register shall be kept by the company in which shall be entered particulars of all contracts or arrangements to which sub-section (1) applies, and which shall be open to inspection by any member of the company at the registered office of the company during business hours.

(4) Every officer of the company who knowingly and wilfully acts in contravention of the provisions of sub-section (3) shall be liable to a fine not exceeding five hundred rupees."

Prohibition of voting by interested director.

Amendment of section 91B, Regulation VIII of 1917.

91B. (1) No director shall, as a director, vote on any contract or arrangement in which he is either directly or indirectly concerned or interested nor shall his presence count for the purpose of forming a quorum at the time of any such vote; and if he does so vote, his vote shall not be counted:

Provided that the directors or any of them may vote on any contract of indemnity against any loss which they or any one or more of them may suffer by reason of becoming or being sureties or surety for the company.

(2) Every director who contravenes the provisions of sub-section (1) shall be liable to a fine not exceeding one thousand rupees.

(3) This section shall not apply to a private company:

Provided that where a private company is a subsidiary company of a public company, this section shall apply to all contracts or arrangements made on behalf of the subsidiary company with any person other than the holding company.

Disclosure to members in case of contract appointing a manager.

91C. (1) Where a company enters into a contract for the appointment of a manager or managing agent of the company in which contract any director of the company is directly or indirectly concerned or interested, or varies any such existing contract, the company shall, within twenty-one days from the date of entering into the contract or the varying of the contract, send an abstract of the terms of such contract or variation, as the case may be, together with a memorandum clearly indicating the nature of the interest of the director in such

contract, or in such variation, to every member; and the contract shall be open to the inspection of any member at the registered office of the company.

(2) If a company makes default in complying with the requirements of sub-section (1), it shall be liable to a fine not exceeding one thousand rupees; and every officer of the company who knowingly and wilfully authorises or permits the default shall be liable to the like penalty.

Contracts by agents of company in which company is undisclosed principal.

91D. (1) Every manager or other agent of a company other than a private company not being the subsidiary company of a public company who enters into a contract for or on behalf of the company in which contract the company is an undisclosed principal shall, at the time of entering into the contract, make a memorandum in writing of the terms of the contract, and specify therein the person with whom it has been made.

(2) Every such manager or other agent shall forthwith deliver the memorandum aforesaid to the company and send copies to the directors, and such memorandum shall be filed in the office of the company and laid before the directors at the next directors' meeting.

(3) If any such manager or other agent makes default in complying with the requirements of this section—

(*a*) the contract shall, at the option of the company, be void as against the company; and

(*b*) such manager or other agent shall be liable to fine not exceeding two hundred rupees.

PROSPECTUS.

Filing of prospectus.

92. (1) Every prospectus issued by or on behalf of a company or in relation to any intended company shall be dated, and that date shall, unless the contrary be proved, be taken as the date of publication of the prospectus.

(2) A copy of every such prospectus, signed by every person who is named therein as a director or proposed director of the company, or by his agent authorised in writing, shall be filed for registration with the registrar on or before the date of its publication, and no such prospectus shall be issued until a copy thereof has been so filed for registration.

(3) The registrar shall not register any prospectus unless it is dated, and the copy thereof signed, in manner required by this section.

(4) Every prospectus shall state on the face of it that a copy has been filed for registration as required by this section.

(5) If a prospectus is issued without a copy thereof being so filed, the company, and every person who is knowingly a party to the issue of the prospectus, shall be liable to a fine not exceeding fity rupees for every day from the date of the issue of the prospectus until a copy thereof is so filed.

Specific requirements as to particulars of prospectus.

93. (1) Every prospectus issued by or on behalf of a company, or by or on behalf of any person who is or has been engaged or interested in the formation of the company, shall state—

(*a*) the contents of the memorandum, with the names, descriptions and addresses of the signatories and the number of shares subscribed for by them respectively; and the number of founders or management or deferred shares (if any) and the nature and extent of the interest of the holders in the property and profits of the company and the number of redeemable preference shares intended to be issued with the date or, where no date is fixed, the period of notice required and the proposed method of redemption; and

(*b*) the number of shares (if any) fixed by the articles as the qualification of a director, and any provision in the articles as to the remuneration of the directors; and

(*c*) the names, descriptions and addresses of the directors or proposed directors and of the managers or proposed managers and managing agents or proposed managing agents (if any) and any provision in the articles or in any contract as to the appointment of managers or managing agents and the remuneration payable to them; and

(*d*) the minimum subscription on which the directors may proceed to allotment, and the amount payable on application and allotment on each share, and in the case of a second or subsequent offer of shares the amount offered for subscription on each previous allotment made within the two preceding years, and the amount actually allotted, and the amount (if any) paid on the shares so allotted; and

(*e*) the number and amount of shares, and debentures which within the two preceding years have been issued, or agreed to be issued, as fully or partly paid up

otherwise than in cash, and in the latter case the extent to which they are so paid up, and in either case the consideration for which those shares or debentures have been issued or agreed to be issued; and

(*ee*) where any issue of shares or debentures is underwritten, the names of the underwriters, and the opinion of the directors that the resources of the underwriters are sufficient to discharge the underwriting obligations; and

(*f*) the names and addresses of the vendors of any property purchased or acquired by the company, or proposed so to be purchased or acquired, which is to be paid for wholly or partly out of the proceeds of the issue offered for subscription by the prospectus, or the purchase or acquisition of which has not been completed at the date of issue of the prospectus, and the amount payable in cash, shares or debentures of the vendor, and where there is more than one separate vendor or the company is a sub-purchaser, the amount so payuble to each vendor: Provided that where the vendors or any of them are a firm, the members of the firm shall not be treated as separate vendors; and

(*ff*) where any property referred to in clause (*f*) has within the two years preceding the issue of the prospectus been transferred by sale, the amount paid by the purchaser at each such transfer so far as the information is available and, where any such property is a business, the profits accruing from such business during each of the three years immediately preceding the issue of the prospectus or during each year of the existence of the business if less than three years so far as the information is available. A balance sheet of the business concerned made up to a date not more than ninety days before the date of the issue of the prospectus shall be appended to the prospectus; and

(*g*) the amount (if any) paid or payable as purchase-money in cash, shares or debentures, for any such property as aforesaid, specifying the amount (if any) payable for goodwill; and

(*h*) the amount (if any) paid within the two preceding years or payable, as commission for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions, for any shares in, or debentures of, the company, or as discount in respect of shares issued, showing separately the amount, if any, so paid to the managing agents;

Provided that it shall not be necessary to state the commission payable to sub-under-writers; and

(*i*) the amount or estimated amount of preliminary expenses; and

(*j*) the amount paid within the two preceding years or intended to be paid to any promoter, and the codsideration for any such payment; and

(*k*) the dates of, and parties to, every material contract including contracts relating to the acquisition of property to which clause (*f*) applies, and a reasonable time and place at which any material contract or a copy thereof may be inspected: Provided that this requirement shall not apply to a contract entered into in the ordinary course of business carried on or intended to be carried on by the company or to any contract, except a contract appointing or fixing the remuneration of a managing director or managing agent, entered into more than two years before the date of issue of the prospectus; and

(*l*) the names and addresses of the auditors (if any) of the company; and

(*m*) full particulars of the nature and extent of the interest (if any) of every director in the promotion of, or in the property proposed to be acquired by, the company, or, where the interest of such a director consists in being a partner in a firm, the nature and extent of the interest of the firm, with a statement of all sums paid or agreed to be paid to him or to the firm in cash or shares or otherwise by any person either to induce him to become, or to qualify him as, a director, or otherwise for services rendered by him or by the firm in connection with the promotion or formation of the company; and

(*n*) where the company is a company having shares of more than one class, the right of voting at meetings of the company conferred by and the rights in respect of capital and dividends attached to the several classes of shares respectively;

(*o*) where the articles of the company impose any restrictions upon the members of the company in respect of the right to attend, speak or vote at meetings of the company or of the right to transfer shares, or upon the directors of the company in respect of their powers of management, the nature and extent of those restrictions.

(1A) Where the prospectus is issued by a company which has been carrying on business prior to the issue thereof, the prospectus shall set out the following

reports in addition to the matters referred to in sub-section (1), namely :—

(*i*) a report by the auditors of the company with respect to the profits of the company including its subsidiary companies, if any, so far as the information is available in each of the three financial years immediately preceding the issue of the prospectus and with respect to the rates of the dividends, if any, paid by the company on each class of shares in the company for each of the said three years giving particulars of each such class of shares on which such dividends have been paid and the source from which the dividends have been paid and particulars of the cases in which no dividends have been paid on any class of shares for any of those years, and if no accounts have been made up for any part of a period of three years ending on a date three months before the issue of the prospectus, containing a statement of that fact ;

(*ii*) if the proceeds or any part of the proceeds of the issue of the shares or debentures are or is to be applied directly or indirectly in the purchase of any business, a report made by an accountant or accountants holding the certificate referred to in section 144 who shall be named in the prospectus upon the profits of the business in respect of each of the three financial years immediately preceding the issue of the prospectus :

Provided that if, in the case of a company which has been carrying on business for less than three years, the accounts of the company have been made up only in respect of two years or any shorter period, this sub-section shall have effect as if references to two years or such shorter period were substituted for references to three years.

(1B) The statement referred to in clause (*ff*) of sub-section (1) and the report referred to in sub-section (1A) with respect to the profits of a company or business shall show clearly the trading results and all charges and expenses incidental thereto excluding income or profits having no relation to the trading for the period covered and excluding also items of profit or income of a non-cerurring nature but including amounts appropriated from

profits to such purposes as payment of taxation or reserves.

(1C) Where any part of the sums required for the matters set out in sub-section (2) of section 101 is to be provided out of sources other than share capital particulars of the amount to be so provided and the sources thereof.

(2) Where any such prospectus as is mentioned in this section is published as a newspaper advertisement, it shall not be necessary in the advertisement to specify the contents of the memorandum, or the signatories thereto, and the number of shares subscribed for by them.

(3) This section shall not apply to a circular or notice inviting existing members or debenture holders of a company to subscribe either for shares or for debentures of the company, whether with or without the right to renounce in favour of other person.

(4) The requirements of this section as to the memorandum and the qualification, remuneration and interest of directors, the names, descriptions and addresses of directors or proposed directors, and of managers or proposed managers, and the amount or estimatad amount of preliminary expenses, shall not apply in the case of a prospectus issued more than one year after the date at which the company is entitled to commence business:

Provided that the said requirements, except the requirement as to the amount or estimated amount of preliminary expenses, shall apply to a prospectus filed in pursuance of section 154.

(5) Nothing in this section shall limit or diminish any liability which any person may incur under the general law or this Regulation apart from this section.

Meaning of "Vendor" in section 93.

94. For the purposes of section 93 every person shall be deemed to be a vendor who has entered into any contract, absolute or conditional, for the sale or purchase, or for any option of purchase, of any property to be acquired by the company, in any case where—

(*a*) the purchase-money is not fully paid at the date of issue of the prospectus; or

(*b*) the purchase-money is to be paid or satisfied wholly or in part out of the proceeds of the issue offered for subscription by the prospectus; or

(*c*) the contract depends for its validity or fulfilment on the result of that issue.

95. Where any of the property to be acquired by the company is to be taken on lease, section 93 shall apply as if the expression "vendor" included the lessor, and the expression "purchase-money" included the consideration for the lease, and the expression "sub-purchaser" included a sub-lessee.

Application of section 93 to the case of property taken on lease.

96. (1) Any conditions requiring or binding any applicant for shares or debentures to waive compliance with any requirements of section 93, or purporting to affect him with notice of any contract, document or matter not specifically referred to in the prospectus, shall be void.

Invalidity of certain conditions as to waiver or notice.

(2) It shall not be lawful to issue any form of application for the shares in or debentures of a company unless the form is issued with a prospectus which complies with the requirements of section 93:

Provided that this sub-section shall not apply if it is shown that the form of application was issued either—

(*a*) in connection with a *bona fide* invitation to a person to enter into an under-writing agreement with respect to the shares or debentures; or

(*b*) in relation to shares or debentures which were not offered to the public.

If any person acts in contravention of the provisions of this sub-section, he shall be liable to a fine not exceeding five hundred rupees.

97. (1) If a prospectus is issued which does not comply with the provisions of section 93, every person who is knowingly responsible for the issue of such prospectus shall be liable to a fine not exceeding fifty rupees for every day from the day of the issue of the prospectus until a copy complying with the requirements of section 93 is filed.

Saving in certain cases of non-compliance with section 93.

(2) In the event of non-compliance with or contravention of any of the requirements of section 93, a director or other person responsible for the prospectus shall not incur any liability by reason of the non-compliance or contravention, if he proves that—

(*a*) as regards any matter not disclosed, he was not cognisant thereof;

(*b*) the non-compliance or contravention arose from an honest mistake of fact on his part; or

(*c*) the non-compliance or contravention was in respect of matters which in the opinion of the

Court were immaterial, or was otherwise such as ought in the opinion of the Court having regard to all the circumstances of the case reasonably to be excused:

Provided that, in the event of non-compliance with or contravention of the requirements contained in clause (*m*) of sub-section (1) of section 93, no such director or other person shall incur any liability in respect of the non-compliance or contravention unless it be proved that he had knowledge of the matters not disclosed.

Obligations of companies where no prospectus is issued.

98. (1) A company which does not issue a prospectus on or with reference to its formation shall not allot any of its shares or debentures unless before the first allotment of either shares or debentures there has been filed with the registrar a statement in lieu of prospectus signed by every person who is named therein as a director or a proposed director of the company or by his agent authorised in writing, in the form and containing the particulars set out in the form marked I in the Second Schedule.

(2) This section shall not apply to a private company or to a company which has allotted any shares or debentures before the commencement of this Regulation, or, in so far as it relates to the allotment of shares, to a company limited by guarantee and not having a share capital.

Document offering shares or debentures for sale to be deemed a prospectus.

98A. (1) Where a company allots or agrees to allot any shares in or debentures of the company with a view to all or any of those shares or debentures being offered for sale to the public, any document by which the offer for sale to the public is made shall for all purposes be deemed to be a prospectus issued by the company and all enactments and rules of law as to the contents of prospectuses and to liability in respect of statements in and omissions from prospectuses or otherwise relating to prospectuses shall apply and have effect accordingly as if the shares or debentures had been offered to the public for subscription and as if persons accepting the offer in respect of any shares or debentures were subscribers for those shares or debentures but without prejudice to the liability, if any, of the persons by whom the offer is made in respect of mis-statements contained in the document or otherwise in respect thereof.

(2) For the purposes of this Regulation it shall, unless the contrary is proved, be evidence that an allotment of or an agreement to allot shares or debentures was made with a view to the shares or debentures being offered for sale to the public, if it is shown—

(*a*) that an offer of the shares or debentures or of any of them for sale to the public was made within six months after the allotment or agreement to allot; or

(*b*) that at the date when the offer was made the whole of the consideration to be received by the company in respect of the shares or debentures had not been so received.

(3) Section 97 shall apply to the person or persons making the offer as though they were persons named in a prospectus as directors of a company, and the provisions of section 93 shall have effect as if it required a prospectus to state, in addition to the matters required by that section to be stated in a prospectus,—

(*a*) the net amount of the consideration received or to be received by the company in respect of the shares or debentures to which the offer relates, and

(*b*) the place and time at which the contract under which the said shares or debentures have been or are to be allotted may be inspected.

(4) Where a person making an offer to which this section relates is a company or a firm, it shall be sufficient if the document aforesaid is signed on behalf of the company or firm by all directors of the company or not less than half of the partners, as the case may be, and any such director or partner may sign by his agent authorised in writing.

Restriction on alteration of terms mentioned in prospectus or statement in lieu of prospectus.

99. A company shall not, at any time, vary the terms of a contract referred to in the prospectus or statement in lieu of prospectus, except subject to the approval of the company in general meeting.

Liability for statements in prospectus.

100. (1) Where a prospectus invites persons to subscribe for shares in or debentures of a company, every person who is a director of the company at the time of the issue of the prospectus, and every person who has authorised the naming of himself and is named in the prospectus as a director or as having agreed to become a director

either immediately or after an interval of time, and every promoter of the company, and every person who has authorised the issue of the prospectus, shall be liable to pay compensation to all persons who subscribe for any shares or debentures on the faith of the prospectus for all loss or damage they may have sustained by reason of any misleading or untrue statement therein, or in any report or memorandum appearing on the face thereof, or by reference incorporated therein or issued therewith, unless it is proved—

(*a*) with respect to every misleading or untrue statement not purporting to be made on the authority of an expert or of a public official document or statement, that he had reasonable ground to believe and did up to the time of the allotment of the shares or debentures, as the case may be, believe that the statement fairly represented the facts or was true;

(*b*) with respect to every misleading or untrue statement purporting to be a statement by or contained in what purports to be a copy of or extract from a report or valuation of an expert, that it fairly represented the statement, or was a correct and fair copy of or extract from the report or valuation: Provided that the director, person named as director, promoter or person who authorised the issue of the prospectus shall be liable to pay compensation as aforesaid if it is proved that he had no reasonable ground to believe that the person making the statement, report or valuation was competent to make it; and

(*c*) with respect to every misleading or untrue statement purporting to be a statement made by an official person or contained in what purports to be a copy of or extract from a public official document, that it was a correct and fair representation of the statement or copy of or extract from the document:

or unless it is proved—

(*i*) that having consented to become a director of the company he withdrew his consent

before the issue of the prospectus, and that it was issued without his authority or consent; or

(*ii*) that the prospectus was issued without his knowledge or consent, and that on becoming aware of its issue, he forthwith gave a reasonable public notice that it was issued without his knowledge or consent; or

(*iii*) that, after the issue of the prospectus and before allotment thereunder, he, on becoming aware of any misleading or untrue statement therein, withdrew his consent thereto, and gave reasonable public notice of the withdrawal and of the reason therefor.

(2) Where a company existing at the commencement of this Regulation has issued shares or debentures, and for the purpose of obtaining further capital by subscriptions for shares or debentures issues a prospectus, a director shall not be liable in respect of any statement therein unless he has authorised the issue of the prospectus, or has adopted or ratified it.

(3) Where the prospectus contains the name of a person as a director of the company, or as having agreed to become a director thereof, and he has not consented to become a director, or has withdrawn his consent before the issue of the prospectus, and has not authorised or consented to the issue thereof, the directors of the company, except any without whose knowledge or consent the prospectus was issued, and any other person who authorised the issue thereof, shall be liable to indemnify the person named as aforesaid against all damages, costs and expenses to which he may be made liable by reason of his name having been inserted in the prospectus, or in defending himself against any suit or legal proceedings brought against him in respect thereof.

(4) Every person who, by reason of his being a director or named as a director, or as having agreed to become a director, or of his having authorised the issue of the prospectus, becomes liable to make any payment under this section, may recover contribution, as in cases of contract from any other person who, if sued separately, would have been liable to make the same payment, unless the person who has become so liable was, and that other person was not, guilty of fraudulent misrepresentation.

(5) For the purposes of this section—

(a) the expression "promoter" means a promoter who was a party to the preparation of the prospectus, or the portion thereof containing the misleading or untrue statement, but does not include any person by reason of his acting in a professional capacity for persons engaged in procuring the formation of the company;

(b) the expression "expert" includes engineer, valuer, accountant and any other person whose profession gives authority to a statement made by him.

ALLOTMENT.

Restriction as to allotment.

101. (1) No allotment shall be made of any share capital of a company offered to the public for subscription unless the amount stated in the prospectus as the minimum amount which in the opinion of the directors must be raised by the issue of share capital in order to provide the sums or, if any part thereof is to be defrayed in any other manner, the balance of the sum required to be provided in respect of the matters specified in sub-section (2) has been subscribed, and the sum of at least five per cent thereof has been paid to or received in cash by the company.

(2) The matters for which provision for the raising of a minimum amount of share capital must be made by the directors are the following, namely:—

(a) the purchase price of any property purchased or to be purchased which is to be defrayed in whole or in part out of the proceeds of the issue,

(b) any preliminary expenses payable by the company and any commission so payable to any person in consideration of his agreeing to subscribe for or of his procuring or agreeing to procure subscriptions for any shares in the company,

(c) the repayment of any moneys borrowed by the company in respect of any of the foregoing matters, and

(d) working capital.

(2A) The amount referred to in sub-section (1) as the amount stated in the prospectus shall be reckoned exclusively of any amount payable otherwise than in cash and is in this Regulation referred to as the minimum subscription.

(2B) All moneys received from applicants for shares shall be deposited and kept in a bank approved by Government, until returned in accordance with the provisions of sub-section (4) or until the certificate to commence business is obtained under section 103.

(2C) In the event of any contravention of the provisions of sub-section (2B) every promoter, director or other person knowingly responsible for such contravention shall be liable to a fine not exceeding five hundred rupees.

(3) The amount payable on application on each share shall not be less than five per cent of the nominal amount of the share.

(4) If the conditions aforesaid have not been complied with on the expiration of one hundred and eighty days after the first issue of the prospectus, all money received from applicants for shares shall be forthwith repaid to them without interest, and, if any, such money is not so repaid within one hundred and ninety days after the issue of the prospectus, the directors of the company shall be jointly and severally liable to repay that money with interest at the rate of seven per cent per annum from the expiration of the one hundred and ninetieth day: Provided that a director shall not be liable if he proves that the loss of the money was not due to any misconduct or negligence on his part.

(5) Any condition requiring or binding any applicant for shares to waive compliance with any requirement of this section shall be void.

(6) This section, except sub-section (3) thereof, shall not apply to any allotment of shares subsequent to the first allotment of shares offered to the public for subscription.

(7) In the case of the first allotment of share capital payable in cash of a company which does not issue any invitation to the public to subscribe for its shares, no allotment shall be made unless the minimum subscription (that is to say),—

(*a*) the amount (if any) fixed by the memorandum of articles and named in the statement in

lieu of prospectus as the minimum subscription upon which the directors may proceed to allotment; or

(*b*) if no amount is so fixed and named, the whole amount of the share capital other than that issued or agreed to be issued as fully or partly paid up otherwise than in cash;

has been subscribed and an amount not less than five per cent of the nominal amount of each share payable in cash has been paid to and received by the company.

(8) Sub-section (7) shall not apply to a private company or to a company which has allotted any shares or debentures before the commencement of this Regulation.

Effect of irregular allotment.

102. (1) An allotment made by a company to an applicant in contravention of the provisions of section 101 shall be voidable at the instance of the applicant, within one month after the holding of the statutory meeting of the company and not later or in any case where the company is not required to hold a statutory meeting or where the allotment is made after the holding of the statutory meeting within one month after the date of the allotment and not later, and shall be so voidable notwithstanding that the company is in course of being wound up.

(2) If any director of a company knowingly contravenes or permits or authorises the contravention of any of the provisions of section 101 with respect to allotment, he shall be liable to compensate the company and the allottee respectively for any loss, damages or costs which the company or the allottee may have sustained or incurred thereby: Provided that proceedings to recover any such loss, damages or costs shall not be commenced after the expiration of two years from the date of the allotment.

Restrictions on commencement of business.

103. (1) A company shall not commence any business or exercise any borrowing powers unless—

(*a*) shares held subject to the payment of the whole amount thereof in cash have been allotted to an amount not less in the whole than the minimum subscription; and

(*b*) every director of the company has paid to the company on each of the shares taken or contracted to be taken by him, and for which

he is liable to pay in cash, a proportion equal to the proportion payable on application and allotment on the shares offered for public subscription or, in the case of a company which does not issue a prospectus inviting the public to subscribe for its shares, on the shares payable in cash; and

(*c*) there has been filed with the registrar a duly verified declaration by the secretary or one of the directors, in the prescribed form, that the aforesaid conditions have been complied with; and

(*d*) in the case of a company which does not issue a prospectus inviting the public to subscribe for its shares, there has been filed with the registrar a statement in lieu of prospectus.

(2) The registrar shall, on the filing of a duly verified declaration, in accordance with the provisions of this section, certify that the company is entitled to commence business, and that certificate shall be conclusive evidence that the company is so entitled:

Provided that, in the case of a company which does not issue a prospectus inviting the public to subscribe for its shares, the registrar shall not give such a certificate unless a statement in lieu of prospectus has been filed with him.

(3) Any contract made by a company before the date at which it is entitled to commence business shall be provisional only, and shall not be binding on the company until that date, and on that date it shall become binding.

(4) Nothing in this section shall prevent the simultaneous offer for subscription or allotment of any shares and debentures or the receipt of any money payable on application for debentures.

(5) If any company commences business or exercises borrowing powers in contravention of this section, every person who is responsible for the contravention shall, without prejudice to any other liability, be liable to a fine not exceeding five hundred rupees for every day during which the contravention continues.

(6) Nothing in this section shall apply to a private company, or to a company registered before the commencement of this Regulation which does not issue a prospectus inviting the public to subscribe for its shares,

or, in so far as its provisions relate to shares, to a company limited by guarantee and not having a share capital.

Return as to allotments.

104. (1) Whenever a company having a share capital makes any allotment of its shares, the company shall, within one month thereafter,—

(*a*) file with the registrar a return of the allotments, stating the number and nominal amount of the shares comprised in the allotment, the names, addresses and descriptions of the allottees, and the amount (if any) paid or due and payable on each share; and

(*b*) in the case of shares allotted as fully or partly paid up otherwise than in cash, produce for the inspection and examination of the registrar a contract in writing constituting the title of the allottee to the allotment together with any contract of sale, or for services or other consideration in respect of which that allotment was made, such contracts being duly stamped, and file with the registrar copies verified in the prescribed manner of all such contracts and a return stating the number and nominal amount of shares so allotted, the extent to which they are to be treated as paid up, and the consideration for which they have been allotted.

(2) Where such a contract as above mentioned is not reduced to writing, the company shall, within one month after the allotment, file with the registrar the prescribed particulars of the contract, stamped with the same stamp-duty as would have been payable if the contract had been reduced to writing, and these particulars shall be deemed to be an instrument within the meaning of the Mysore Stamp Regulation, 1900, and the registrar may, as a condition of filing the particulars, require that the duty payable thereon be adjudicated under section 31 of that Regulation.

(3) If default is made in complying with the requirements of this section, every officer of the company who is knowingly a party to the default shall be liable to a fine not exceeding five hundred rupees for every day during which the default continues:

Provided that in case of default in filing with the registrar within one month after the allotment any document required to be filed by this section, the company, or any person liable for the default, may apply to the Court for relief, and the Court, if satisfied that the omission to file the document was accidental or due to inadvertence or that on other grounds it is just and equitable to grant relief, may make an order extending the time for the filing of the document for such a period as the Court may think proper.

(4) Nothing in this section shall apply to the issue and allotment by a company of shares which under the provisions of its articles were forfeited for non-payment of calls

COMMISSIONS AND DISCOUNTS.

Power to pay certain commissions and prohibition of payment of all other commissions, discounts, etc.

105. (1) It shall be lawful for a company to pay a commission to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares in the company, or procuring or agreeing to procure subscriptions, whether absolute or conditional, for any shares in the company, if the payment of the commission is authorised by the articles and the commission paid or agreed to be paid does not exceed the amount or rate so authorised, and if the amount or rate per cent of the commission paid or agreed to be paid is—

(*a*) in the case of shares offered to the public for subscription, disclosed in the prospectus; or

(*b*) in the case of shares not offered to the public for subscription, disclosed in the statement in lieu of prospectus, or in a statement in the prescribed form signed in like manner as a statement in lieu of prospectus and filed with the registrar and, where a circular or notice, not being a prospectus inviting subscription for the shares, is issued, also disclosed in that circular or notice.

(2) Save as aforesaid and save as provided in section 105-A, no company shall apply any of its shares or capital money either directly or indirectly in payment of any commission, discount or allowance, to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares of the

company, or procuring or agreeing to procure subscriptions, whether absolute or conditional, for any shares in the company, whether the shares or money be so applied by being added to the purchase money of any property acquired by the company or to the contract price of any work to be executed for the company, or the money be paid out of the nominal purchase money or contract price, or otherwise.

(3) Nothing in this section shall affect the power of any company to pay such brokerage as it has heretofore been lawful for a company to pay, and a vendor to, promoter of, or other person who receives payment in money or shares from, a company shall have and shall be deemed always to have had power to apply any part of the money or shares so received in payment of any commission, the payment of which, if made directly by the company, would have been legal under this section.

Power to issue shares at a discount.

105A. (1) Subject to the provisions of this section, it shall be lawful for a company to issue at a discount shares in the company of a class already issued:

Provided that—

(*a*) the issue of the shares at a discount must be authorised by resolution passed in general meeting of the company and must be sanctioned by the Court;

(*b*) the resolution must specify the maximum rate of discount (not exceeding ten per cent in any case) at which shares are to be issued;

(*c*) not less than one year must at the date of issue have elapsed since the date on which the company was entitled to commence business;

(*d*) the shares to be issued at a discount must be issued within six months after the date on which the issue is sanctioned by the Court or within such extended time as the Court may allow.

(2) Every prospectus relating to the issue of the shares and every balance-sheet issued by the company subsequently to the issue of the shares must contain particulars of the discount allowed on the issue of the shares or of so much of that discount as has not been written off at the date of the issue of the document in question.

(3) If default is made in complying with sub-section (2), the company and every officer of the company who is in default shall be liable to a fine not exceeding fifty rupees.

Issue of redeemable preference shares.

105B. (1) Subject to the provisions of this section, a company limited by shares may, if so authorised by its articles, issue preference shares which are, or at the option of the company are to be, liable to be redeemed:

Provided that—

(a) no such shares shall be redeemed except out of profits of the company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purposes of the redemption or out of sale proceeds of any property of the company;

(b) no such shares shall be redeemed unless they are fully paid;

(c) where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall out of profits which would otherwise have been available for dividend be transferred to a reserve fund, to be called "the capital redemption reserve fund", a sum equal to the amount applied in redeeming the shares, and the provisions of this Regulation relating to the reduction of the share capital of a company shall, except as provided in this section, apply as if the capital redemption reserve fund were paid-up share capital of the company;

(d) where any such shares are redeemed out of the proceeds of a fresh issue, the premium, if any, payable on redemption must have been provided for out of the profits of the company before the shares are redeemed.

(2) There shall be included in every balance-sheet of a company which has issued redeemable preference shares a statement specifying what part of the issued capital of the company consists of such shares and the date on or before which those shares are, or are to be, liable to be redeemed or, where no definite date is fixed for redemption, the period of notice to be given for redemption.

If a company fails to comply with the provisions of this sub-section, the company and every officer of the

company who is in default shall be liable to a fine not exceeding one thousand rupees.

(3) Subject to the provisions of this section, the redemption of preference shares thereunder may be effected on such terms and in such manner as may be provided by the articles of the company.

(4) Where in pursuance of this section a company has redeemed or is about to redeem any preference shares, it shall have power to issue shares up to the nominal amount of the shares redeemed or to be redeemed as if those shares had never been issued, and accordingly the share capital of the company shall not for the purpose of calculating the fees payable under section 249 be deemed to be increased by the issue of shares in pursuance of this sub-section:

Provided that, where new shares are issued before the redemption of the old shares, the new shares shall not, so far as relates to stamp duty, be deemed to have been issued in pursuance of this sub-section unless the old shares are redeemed within one month after the issue of the new shares.

(5) Where new shares have been issued in pursuance of the last foregoing sub-section, the capital redemption reserve fund may, notwithstanding anything in this section, be applied by the company, up to an amount equal to the nominal amount of the shares so issued, in paying up unissued shares of the company to be issued to members of the company as fully paid bonus shares.

Further issue of capital.

105C. Where the directors decide to increase the capital of the company by the issue of further shares such shares shall be offered to the members in proportion to the existing shares held by each member (irrespective of class) and such offer shall be made by notice specifying the number of shares to which the member is entitled, and limiting a time within which the offer, if not accepted, will be deemed to be declined; and after the expiration of such time, or on receipt of an intimation from the member to whom such notice is given, that he declines to accept the shares offered, the directors may dispose of the same in such manner as they think most beneficial to the company.

Statement in balance-sheet as to commissions and discounts.

106. Where a company has paid any sums by way of commission in respect of any shares or debentures, or allowed any sums by way of discount in respect of any debentures, the total amount so paid or allowed or so

much thereof as has not been written off, shall be stated in every balance-sheet of the company until the whole amount thereof has been written off.

Payment of Interest out of Capital.

107. Where any shares of a company are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings or the provision of any plant which cannot be made profitable for a lengthened period, the company may pay interest on so much of that share capital as is for the time being paid-up for the period and subject to the conditions and restrictions in this section mentioned, and may charge the same to capital as part of the cost of construction of the work or building, or the provision of plant:

Power of company to pay interest out of capital in certain cases.

Provided that—

(1) no such payment shall be made unless the same is authorised by the articles or by special resolution;

(2) no such payment, whether authorised by the articles or by special resolution, shall be made without the previous sanction of the Government, which sanction shall be conclusive evidence for the purposes of this section that the shares of the company, in respect of which such sanction is given, have been issued for a purpose specified in this section;

(3) before sanctioning any such payment, the Government may, at the expense of the company, appoint a person to inquire and report to it as to the circumstances of the case, and may, before making the appointment, require the company to give security for the payment of the costs of the inquiry;

(4) the payment shall be made only for such period as may be determined by the Government; and such period shall in no case extend beyond the close of the half-year next after the half-year during which the works or buildings have been actually completed or the plant provided;

(5) the rate of interest shall in no case exceed four per cent per annum or such lower rate as the Government may, by notification in the official Gazette, prescribe;

(6) the payment of the interest shall not operate as a reduction of the amount paid-up on the shares in respect of which it is paid;

(7) the accounts of the company shall show the share capital on which, and the rate at which, interest has been paid out of capital during the period to which the accounts relate.

CERTIFICATES OF SHARES, ETC.

Limitation of time for issue of certificates.

108. (1) Every company shall within three months after the allotment of any of its shares, debentures or debenture stock, and within three months after the registration of the transfer of any such shares, debentures or debenture stock, complete and have ready for delivery the certificates of all shares, the debentures, and the certificates of all debenture stock allotted or transferred, unless the conditions of issue of the shares, debentures or debenture stock otherwise provide.

(2) If default is made in complying with the requirements of this section, the company, and every officer of the company who is knowingly a party to the default, shall be liable to a fine not exceeding fifty rupees for every day during which the default continues.

INFORMATION AS TO MORTGAGES, CHARGES, ETC.

Certain mortgages and charges to be void if not registered.

109. (1) Every mortgage or charge created after the commencement of this Regulation by a company and being either—

(*a*) a mortgage or charge for the purpose of securing any issue of debentures; or

(*b*) a mortgage or charge on uncalled share capital of the company; or

(*c*) a mortgage or charge on any immoveable property wherever situate, or any interest therein; or

(*d*) a mortgage or charge on any book debts of the company; or

(*e*) a mortgage or a charge, not being a pledge on any moveable property of the company except stock-in-trade; or

(*f*) a floating charge on the undertaking or property of the company;

shall, so far as any security on the company's property or undertaking is thereby conferred, be void against the liquidator and any creditor of the company, unless the prescribed particulars of the mortgage or charge, together

with the instrument (if any) by which the mortgage or charge is created or evidenced, or a copy thereof verified in the prescribed manner are filed with the registrar for registration in manner required by this Regulation within twenty-one days after the date of its creation, but without prejudice to any contract or obligation for repayment of the money thereby secured, and when a mortgage or charge becomes void under this section, the money secured thereby shall immediately become payable:

Provided that--

(*i*) in the case of a mortgage or charge created out of Mysore, comprising solely property situate outside Mysore, twenty-one days after the date on which the instrument or copy could, in due course of post, and if despatched with due diligence, have been received in Mysore shall be substituted for twenty-one days after the date of the creation of the mortgage or charge, as the time within which the particulars and instrument or copy are to be filed with the registrar; and

(*ii*) where the mortgage or charge is created in Mysore but comprises property outside Mysore, the instrument creating or purporting to create the mortgage or charge or a copy thereof verified in the prescribed manner may be filed for registration notwithstanding that further proceedings may be necessary to make the mortgage or charge valid or effectual according to the law of the country in which the property is situate; and

(*iii*) where a negotiable instrument has been given to secure payment of any book debts of a company, the deposit of the instrument for the purpose of securing an advance to the company shall not for the purposes of this section be treated as a mortgage or charge on those book debts; and

(*iv*) the holding of debentures entitling the holder to a charge on immoveable property shall not be deemed to be an interest in immoveable property.

(2) Where any mortgage or charge on any property of a company required to be registered under this

section has been so registered, any person acquiring such property or any part thereof, or any share or interest therein, shall be deemed to have notice of the said mortgage or charge as from the date of such registration.

Registration of charges on properties acquired subject to charge.

109-A. (1) Where after the commencement of this Regulation, a company registered in Mysore acquires any property which is subject to a charge of any such kind as would, if it had been created by the company after the acquisition of the property, have been required to be registered under this Part, the company shall cause the prescribed particulars of the charge, together with a copy (certified in the prescribed manner to be a correct copy) of the instrument, if any, by which the charge was created or is evidenced, to be delivered to the registrar for registration in manner required by this Regulation within twenty-one days after the date on which the acquisition is completed :

Provided that, if the property is situate and the charge was created outside Mysore, twenty-one days after the date on which the copy of the instrument could in due course of post, and if despatched with due diligence, have been received in Mysore shall be substituted for twenty-one days after the completion of the acquisition as the time within which the particulars and the copy of the instrument are to be delivered to the registrar.

(2) If default is made in complying with this section, the company and every officer of the company who is knowingly and wilfully in default shall be liable to a fine of five hundred rupees."

Particulars in case of series of debentures entitling holders *pari passu*.

110. Where a series of debentures containing, or giving by reference to any other instrument, any charge to the benefit of which the debenture-holders of that series are entitled *pari passu* is created by a company, it shall be sufficient for the purposes of section 109 if there are filed with the registrar within twenty-one days after the execution of the deed containing the charge or, if there is no such deed, after the execution of any debentures of the series, the following particulars :—

(*a*) the total amount secured by the whole series ; and

(*b*) the dates of the resolutions authorising the issue of the series and the date of the covering deed (if any) by which the security is created or defined ; and

(*c*) a general description of the property charged ; and

(*d*) the names of the trustees (if any) for the debenture-holders;

together with the deed or a copy thereof verified in the prescribed manner containing the charge, or if there is no such deed, one of the debentures of the series, and the registrar shall, on payment of the prescribed fee, enter those particulars in the register:

Provided that, where more than one issue is made of debentures in the series, there shall be filed with the registrar for entry in the register particulars of the date and amount of each issue, but an omission to do this shall not affect the validity of the debentures issued.

Particulars in case of commission, etc., on debentures

111. Where any commission, allowance or discount has been paid or made either directly or indirectly by the company to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any debentures of the company, or procuring or agreeing to procure subscriptions, whether absolute or conditional, for any such debentures, the particulars required to be filed for registration under sections 109 and 110 shall include particulars as to the amount or rate per cent of the commission, discount or allowance so paid or made, but an omission to do this shall not affect the validity of the debentures issued:

Provided that the deposit of any debentures as security for any debt of the company shall not for the purposes of this provision be treated as the issue of the debentures at a discount.

Register of mortgages and charges.

112. (1) The registrar shall keep, with respect to each company, a register in the prescribed form of all the mortgages and charges created by the company after the commencement of this Regulation and requiring registration under section 109, and shall, on payment of the prescribed fee, enter in the register, with respect to every such mortgage or charge, the date of creation, the amount secured by it, short particulars of the property mortgaged or charged, and the names of the mortgagees or persons entitled to the charge.

(2) After making the entry required by sub-section (1), the registrar shall return the instrument (if any) or the verified copy thereof, as the case may be, filed in accordance with the provisions of section 109 or section 110 to the person filing the same.

(3) The register kept in pursuance of this section shall be open to inspection by any person on payment of

the prescribed fee, not exceeding one rupee for each inspection.

Index to register of mortgages and charges.

113. The registrar shall keep a chronological index, in the prescribed form and with the prescribed particulars, of the mortgages or charges registered with him under this Regulation.

Certificate of registration.

114. The registrar shall give a certificate under his hand of the registration of any mortgage or charge registered in pursuance of section 109, stating the amount thereby secured, and the certificate shall be conclusive evidence that the requirements of sections 109 to 112 as to registration have been complied with.

Endorsement of certificate of registration on debenture or certificate of debenture stock.

115. The company shall cause a copy of every certificate of registration, given under section 114, to be endorsed on every debenture or certificate of debenture stock which is issued by the company, and the payment of which is secured by the mortgage or charge so registered:

Provided that nothing in this section shall be construed as requiring a company to cause a certificate of registration of any mortgage or charge so given to be endorsed on any debenture or certificate of debenture stock which has been issued by the company before the mortgage or charge was created.

Duty of company and right of interested party as regards registration.

116. (1) It shall be the duty of the company to file with the registrar for registration the prescribed particulars of every mortgage or charge created by the company and of the issues of debentures of a series, requiring registration under section 109, but registration of any mortgage or charge may be effected on the application of any person interested therein.

(2) Where the registration is effected on the application of some person other than the company, that person shall be entitled to recover from the company the amount of any fees properly paid by him to the registrar on the registration.

(3) Whenever the terms or conditions or extent or operation of any mortgage or charge registered under this section are modified, it shall be the duty of the company to send to the registrar the particulars of such modification, and the provisions of this section as to registration of mortgage or a charge shall apply to such modification of the mortgage or charge as aforesaid.

117. Every company shall cause a copy of every instrument creating any mortgage or charge requiring registration under section 109 to be kept at the registered office of the company: Provided that, in the case of a series of uniform debentures, a copy of one such debenture shall be sufficient.

Copy of instrument creating mortgage or charge to be kept at registered office.

118. (1) If any person obtains an order for the appointment of a receiver of the property of a company, or appoints such a receiver under any powers contained in any instrument, he shall, within fifteen days from the date of the order or of the appointment under the powers contained in the instrument, file notice of the fact with the registrar, and the registrar shall, on payment of the prescribed fee, enter the fact in the register of mortgages and charges.

Registration of appointment of receiver.

(2) If any person makes default in complying with the requirements of this section, he shall be liable to a fine not exceeding fifty rupees for every day during which the default continues.

119. (1) Every receiver of the property of a company who has been appointed under the powers contained in any instrument, and who has taken possession, shall once in every half-year while he remains in possession, and also on ceasing to act as receiver, file with the registrar an abstract, in the prescribed form, of his receipts and payments during the period to which the abstract relates and shall also, on ceasing to act as receiver, file with the registrar notice to that effect, and the registrar shall enter the notice in the register of mortgages and charges.

Filing of accounts of receivers.

(2) Where a receiver of the property of a company has been appointed, every invoice, order for goods, or business letter issued by or on behalf of the company, or the receiver of the company, being a document on or in which the name of the company appears, shall contain a statement that a receiver has been appointed.

(3) If default is made in complying with the requirements of this section, the company and every director, manager, managing agent, secretary or other officer of the company and every receiver who knowingly and wilfully authorises or permits the default, shall be liable to a fine not exceeding two hundred rupees.

Rectification of register of mortgages.

120. (1) The Court, on being satisfied that the omission to register a mortgage or charge within the time required by section 109, or that the omission or mis-statement of any particular with respect to any such mortgage or charge, or the omission to give intimation to the registrar of the payment or satisfaction of a debt for which a charge or mortgage was created was accidental, or due to inadvertence or to some other sufficient cause, or is not of a nature to prejudice the position of creditors or shareholders of the company, or that on other grounds it is just and equitable to grant relief, may, on the application of the company or any person interested, and on such terms and conditions as seem to the Court just and expedient, order that the time for registration be extended, or, as the case may be, that the omission or mis-statement be rectified, and may make such order as to the costs of the application as it thinks fit.

(2) Where the Court extends the time for the registration of a mortgage or charge, the order shall not prejudice any rights acquired in respect of the property concerned prior to the time when the mortgage or charge is actually registered.

Registration of satisfaction of mortgages and charges.

121. (1) It shall be the duty of the company to give intimation to the registrar of the payment or satisfaction of any charge or mortgage created by the company and requiring registration under section 109 within twenty-one days from the date of the payment or satisfaction thereof.

(2) The registrar shall on receipt of such intimation cause a notice to be sent to the mortgagee calling upon him to show cause, within a time (not exceeding fourteen days) to be fixed by such notice, why the payment or satisfaction of the charge or mortgage should not be recorded.

(3) The registrar shall, if no cause is shown, order that a memorandum of satisfaction be entered on the register and shall if required furnish the company with a copy thereof.

(4) Where cause is shown, the registrar shall record a note to that effect in the register, and shall inform the company that he has done so.

Penalties.

122. (1) If any company makes default in filing with the registrar for registration the particulars—

(*a*) of any mortgage or charge created by the company; or

(b) of the payment or satisfaction of a debt in respect of which a mortgage or charge has been registered under section 109 or section 109A; or

(c) of the issues of debentures of a series, requiring registration with the registrar under the foregoing provisions of this Regulation, then, unless the registration has been effected on the application of some other person the company, and every officer of the company or other person who is knowingly a party to the default, shall on conviction be liable to a fine not exceeding five hundred rupees for every day during which the default continues.

(2) Subject as aforesaid, if any company makes default in complying with any of the requirements of this Regulation as to the registration with the registrar of any mortgage or charge created by the company, the company, and every officer of the company, who knowingly and wilfully authorises or permits the default shall, without prejudice to any other liability, be liable on conviction to a fine not exceeding one thousand rupees.

(3) If any person knowingly and wilfully authorises or permits the delivery of any debenture or certificate of debenture stock requiring registration with the registrar under the foregoing provisions of this Regulation without a copy of the certificate of registration being endorsed upon it, he shall, without prejudice to any other liability, be liable on conviction to a fine not exceeding one thousand rupees.

123. (1) Every company shall keep a register of mortgages and enter therein all mortgages and charges specifically affecting property of the company and all floating charges on the undertaking or on any property of the company, giving in each case a short description of the property mortgaged or charged, the amount of the mortgage or charge and (except in the case of securities to bearer) the names of the mortgagees or persons entitled thereto. Company's register of mortgages.

(2) If any director, manager or other officer of the company knowingly and wilfully authorises or permits the omission of any entry required to be made in pursuance of this section, he shall be liable to a fine not exceeding five hundred rupees.

Right to inspect copies of instruments creating mortgages and charges, and company's register of mortgages.

124. (1) The copies kept at the registered office of the company in pursuance of section 117 of instruments creating any mortgage or charge requiring registration under this Regulation with the registrar, and the register of mortgages kept in pursuance of section 123 shall be open at all reasonable times to the inspection of any creditor or member of the company without fee, and the register of mortgages shall also be open to the inspection of any other person on payment of such fee, not exceeding one rupee for each inspection, as the company may prescribe.

(2) If inspection of the said copies or register is refused, the company shall be liable to a fine not exceeding fifty rupess and a further fine not exceeding twenty rupees for every day during which the refusal continues, and every officer of the company who knowingly authorises or permits the refusal shall incur the like penalty, and in addition to the above penalty, the Court may by order compel an immediate inspection of the copies or register.

Right to inspect the register of debenture-holders and to have copies of trust deed.

125. (1) Every register of holders of debentures of a company shall, except when closed in accordance with the articles during such period or periods (not exceeding in the whole thirty days in any year) as may be specified in the articles, be open to the inspection of the registered holder of any such debentures, and of any holder of shares in the company, but subject to such reasonable restrictions as the company may in general meeting impose, so that at least two hours in each day are appointed for inspection, and every such holder may require a copy of the register or any part thereof on payment of six annas for every one hundred words or fractional part thereof required to be copied.

(2) A copy of any trust-deed for securing any issue of debentures shall be forwarded to every holder of any such debentures at his request on payment in the case of a printed trust-deed of the sum of one rupee or such less sum as may be prescribed by the company, or, where the trust-deed has not been printed, on payment of six annas for every one hundred words or fractional part thereof required to be copied.

(3) If inspection is refused, or a copy is refused or not forwarded, the company shall be liable to a fine not exceeding fifty rupees, and to a further fine not exceeding twenty rupees for every day during which the refusal continues, and every officer of the company who knowingly

authorises or permits the refusal shall incur the like penalty, and the Court may by order compel an immediate inspection of the register.

Debentures and Floating Charges.

126. A condition contained in any debentures or in any deed for securing any debentures, whether issued or executed before or after the passing of this Regulation, shall not be invalid by reason only that thereby the debentures are made irredeemable or redeemable only on the happening of a contingency, however remote, or on the expiration of a period, however long. Perpetual debentures.

127. (1) Where either before or after the commencement of this Regulation a company has redeemed any debentures previously issued, the company, unless the articles or the conditions of issue expressly otherwise provide, or unless the debentures have been redeemed in pursuance of any obligation on the company so to do (not being an obligation enforceable only by the person to whom the redeemed debentures were issued or his assigns), shall have power, and shall be deemed always to have had power, to keep the debentures alive for the purposes of re-issue, and where a company has purported to exercise such a power the company shall have power, and shall be deemed always to have had power, to re-issue the debentures either by re-issuing the same debentures or by issuing other debentures in their place, and upon such re-issue, the person entitled to the debentures shall have, and shall be deemed always to have had, the same rights and priorities as if the debentures had not previously been issued. Power to re-issue redeemed debentures in certain cases.

(2) Where with the object of keeping debentures alive for the purpose of re-issue, they have, either before or after the commencement of this Regulation, been transferred to a nominee of the company, a transfer from that nominee shall be deemed to be a re-issue for the purposes of this section.

(3) Where a company has, either before or after the commencement of this Regulation, deposited any of its debentures to secure advances from time to time on current account or otherwise, the debentures shall not be deemed to have been redeemed by reason only of the account of the company having ceased to be in debit whilst the debentures remained so deposited.

(4) The re-issue of a debenture or the issue of another debenture in its place under the power by this section given to, or deemed to have been possessed by, a company, whether the re-issue or issue was made before or after the commencement of this Regulation, shall be treated as the issue of a new debenture for the purposes of stamp duty, but it shall not be so treated for the purposes of any provision limiting the amount or number of debentures to be issued:

Provided that any person lending money on the security of a debenture re-issued under this section, which appears to be duly stamped, may give the debenture in evidence in any proceedings for enforcing his security without payment of the stamp-duty or any penalty in respect thereof, unless he had notice or, but for his negligence, might have discovered, that the debenture was not duly stamped, but in any such case the company shall be liable to pay the proper stamp-duty and penalty.

(5) Nothing in this section shall prejudice—

(*a*) the operation of any decree or order of a Court of competent jurisdiction pronounced or made before the commencement of this Regulation, as between the parties to the proceedings in which the decree or order was made, and any appeal from any such decree or order shall be decided as if this Regulation had not been passed; or

(*b*) any power to issue debentures in the place of any debentures paid off or otherwise satisfied or extinguished, reserved to a company by its debentures or the securities for the same.

Specific performance of contract to subscribe for debentures.

128. A contract with a company to take up and pay for any debentures of the company may be enforced by a decree for specific performance.

Payments of certain debts out of assets subject to floating charge in priority to claims under the charge.

129. (1) Where either a receiver is appointed on behalf of the holders of any debentures of a company secured by a floating charge, or possession is taken by or on behalf of those debenture-holders of any property comprised in or subject to the charge, then, if the company is not at the time in course of being wound up, the debts which in every winding up are under the provisions of Part V relating to preferential payments to be paid in priority to all other debts, shall be paid forthwith out of any assets coming to the hands of the receiver or other

person taking possession as aforesaid in priority to any claim for principal or interest in respect of the debentures.

(2) The periods of time mentioned in the said provisions of Part V shall be reckoned from the date of the appointment of the receiver or of possession being taken as aforesaid, as the case may be.

(3) Any payments made under this section shall be recouped, as far as may be, out of the assets of the company available for payment of general creditors.

STATEMENTS, BOOKS AND ACCOUNTS.

Books to be kept by company and penalty for not keeping proper books.

130. (1) Every company shall cause to be kept proper books of account with respect to—

(*a*) all sums of money received and expended by the company and the matters in respect of which the receipt and expenditure takes place;

(*b*) all sales and purchases of goods by the company;

(*c*) the assets and liabilities of the company.

(2) The books of account shall be kept at the registered office of the company or at such other place as the directors think fit, and shall be open to inspection by the directors during business hours.

(3) In the case of a company managed by a managing agent, the managing agent, or where the managing agent is a firm or company, the partner or director of such firm or company and in any other case the director or directors who have knowingly by their act or omission been the cause of any default by the company in complying with the requirements of this section, shall in respect of such offence be liable to a fine not exceeding one thousand rupees.

Annual balance-sheet.

131. (1) The directors of every company shall at some date not later than eighteen months after the incorporation of the company and subsequently once at least in every calendar year lay before the company in general meeting a balance-sheet and profit and loss account or in the case of a company not trading for profit an income and expenditure account for the period, in the case of the first account since the incorporation of the company and in any other case since the preceding

account, made up to a date not earlier than the date of the meeting by more than nine months or in the case of a company carrying on business or having interests outside Mysore by more than twelve months:

Provided that the registrar may for any special reason extend the period by a period not exceeding three months.

(2) The balance-sheet and the profit and loss account or income and expenditure account shall be audited by the auditor of the company as hereinafter provided, and the auditor's report shall be attached thereto, or there shall be inserted at the foot thereof a reference to the report and the report shall be read before the company in general meeting and shall be open to inspection by any member of the company.

(3) Every company other than a private company shall send a copy of such balance-sheet and profit and loss account or income and expenditure account so audited together with a copy of the auditors' report to the registered address of every member of the company at least fourteen days before the meeting at which it is to be laid before the members of the company, and shall deposit a copy at the registered office of the company for the inspection of the members of the company during a period of at least fourteen days before the meeting.

Directors' report.

131A. (1) The directors shall make out and attach to every balance-sheet a report with respect to the state of the company's affairs, the amount, if any, which they recommend should be paid by way of dividend and the amount, if any, which they propose to carry to the Reserve Fund, General Reserve or Reserve Account shown specifically on the balance-sheet or to a Reserve Fund, General Reserve or Reserve Account to be shown specifically in a subsequent balance-sheet.

(2) The report referred to in sub-section (1) may be signed by the chairman of the directors on behalf of the directors if authorised in that behalf by the directors

(3) The provisions of sub-section (3) of section 130 shall apply to any person being a director who is knowingly and wilfully guilty of a default in complying with this section.

132. (1) The balance-sheet shall contain a summary of the property and assets and of the capital and liabilities of the company giving such particulars as will

disclose the general nature of those liabilities and assets and how the value of the fixed assets has been arrived at.

Contents of balance-sheet.

(2) The balance-sheet shall be in the form marked F in the Third Schedule or as near thereto as circumstances admit.

(3) The profit and loss account shall include particulars showing the total of the amount paid whether as fees, percentages or otherwise to the managing agent, if any, and the directors respectively as remuneration for their services and, where a special resolution passed by the members of the company so requires, to the manager, and the total of the amount written off for depreciation. If any director of the company is by virtue of the nomination, whether direct or indirect, of the company, a director of any other company, any remuneration or other emoluments received by him for his own use, whether as a director of, or otherwise in connection with the management of, that other company, shall be shown in a note at the foot of the account or in a statement attached thereto.

Balance-sheet to include particulars as to subsidiary companies.

132A. (1) Where a company, in this Regulation referred to as the holding company, holds shares, either directly or through a nominee, in a subsidiary company or in two or more subsidiary companies, there shall be annexed to the balance-sheet of the holding company the last audited balance-sheet, profit and loss account and auditors' report of the subsidiary company or companies, and a statement signed by the persons by whom, in pursuance of section 133 the balance-sheet of the holding company is signed stating how the profits and losses of the subsidiary company, or, where there are two or more subsidiary companies, the aggregate profits and losses of those companies, have been dealt with in or for the purposes of the accounts of the holding company, and in particular how and to what extent—

(*a*) provision has been made for the losses of a subsidiary company either in the accounts of that company or of the holding company or of both, and

(*b*) losses of a subsidiary company have been taken into account by the directors of the holding company in arriving at the profits and losses of the company as disclosed in its accounts :

Provided that it shall not be necessary to specify in any such statement the actual amount of the profits or

losses of any subsidiary company or the actual amount of any part of any such profits or losses which has been dealt with in any particular manner:

Provided further that for the purposes of this section an investment company, that is to say, a company whose principal business is the acquisition and holding of shares, stocks, debentures or other securities, shall not be deemed to be a holding company by reason only that part of its assets consists in 51 per cent or more of the shares of another company.

(2) If, in the case of a subsidiary company, the auditors' report on the balance-sheet of the company does not state without qualification that the auditors have obtained all the information and explanations they have required and that the balance-sheet is properly drawn up so as to exhibit a true and correct view of the state of the company's affairs according to the best of their information and the explanations given to them and as shown by the books of the company, the statement, which is to be annexed as aforesaid to the balance-sheet of the holding company, shall contain particulars of the manner in which the report is qualified.

(3) For the purposes of this section the profits or losses of a subsidiary company mean the profits or losses shown in any accounts of the subsidiary company made up to a date within the period to which the accounts of the holding company relate, or, if there are no such accounts of the subsidiary company available at the time when the accounts of the holding company are made up, the profits or losses shown in the last previous accounts of the subsidiary company which became available within that period.

(4) If for any reason the directors of the holding company are unable to obtain such information as is necessary for the preparation of the statement aforesaid, the directors who sign the balance-sheet shall so report in writing and their report shall be annexed to the balance-sheet in lieu of the statement.

(5) The holding company may by a resolution authorise representatives named in the resolution to inspect the books of account kept in accordance with section 130 by any subsidiary company, and on such resolution being passed those books of account shall be open to inspection by those representatives at any time during business hours.

(6) The rights conferred by section 138 upon members of a company may be exercised in respect of any subsidiary company by members of the holding company as if they were members of that subsidiary company.

133. (1) Save as provided by sub-section (2), the balance-sheet and profit and loss account or income and expenditure account shall— Authentication of balance-sheet.

(*i*) in the case of a banking company, be signed by the manager or managing agent (if any) and, where there are more than three directors of the company, by at least three of these directors, and where there are not more than three directors, by all the directors;

(*ii*) in the case of any other company, be signed by two directors or, when there are less than two directors, by the sole director and by the manager or managing agent (if any) of the company.

(2) When the total number of directors of the company for the time being in Mysore is less than the number of directors whose signatures are required by sub-section (1), then the balance-sheet and profit and loss account or income and expenditure account shall be signed by all the directors for the time being in Mysore, or, if there is only one director for the time being in Mysore by such director, but in such a case there shall be subjoined to the balance-sheet and profit and loss account or income and expenditure account a statement signed by such directors or director explaining the reason for non-compliance with the provisions of sub-section (1).

(3) If any default is made in laying before the company or in issuing a balance-sheet and profit and loss account or income and expenditure account as required by section 131 or if any balance-sheet and profit and loss account or income and expenditure account is issued, circulated or published which does not comply with the requirements laid down by and under section 131, section 132, section 132-A and this section, the company and every officer of the company who is knowingly and wilfully a party to the default shall be punishable with fine which may extend to five hundred rupees.

134. (1) After the balance-sheet and profit and loss account or the income and expenditure account, as the case may be has been laid before the company at the general meeting, copies thereof signed by the manager

Copy of balance-sheet and auditor's report to be forwarded to the Registrar.

or secretary of the company shall be filed with the registrar at the same time as the copy of the annual list of members and summary prepared in accordance with the requirements of section 32.

(2) If the general meeting before which a balance-sheet is laid does not adopt the balance-sheet, a statement of that fact and of the reasons therefor shall be annexed to the balance-sheet and to the copy thereof required to be filed with the registrar.

(3) This section shall not apply to a private company.

(4) If a company makes default in complying with the requirements of this section, the company and every officer of the company who knowingly and wilfully authorises or permits the default shall be liable to the like penalty as is provided by section 32 for a default in complying with the provisions of that section.

Right of member of company to copies of the balance-sheet and the auditor's report.

135. Save as otherwise provided in this Regulation, any member of a company shall be entitled to be furnished with copies of the balance-sheet and the profit and loss account or the income and expenditure account and the auditor's report at a charge not exceeding six annas for every hundred words or fractional part thereof.

STATEMENT TO BE PUBLISHED BY BANKING AND CERTAIN OTHER COMPANIES.

Certain companies to publish statement in schedule.

136. (1) Every company being a limited banking company or an insurance company or a deposit, provident or benefit society shall, before it commences business, and also on the first Monday in February and the first Monday in August in every year during which it carries on business, make a statement in the form marked G in the Third Schedule, or as near thereto as circumstances will admit.

(2) A copy of the statement together with a copy of the last audited balance-sheet laid before the members of the company shall be displayed and, until the display of the next following statement, kept displayed in a conspicuous place in the registered office of the company, and in every branch office or place where the business of the company is carried on.

(3) Every member and every creditor of the company shall be entitled to a copy of the statement on payment of a sum not exceeding eight annas.

(4) If a company makes default in complying with the requirements of this section, it shall be liable to a fine not exceeding fifty rupees for every day during which the default continues; and every officer of the company who knowingly and wilfully authorises or permits the default shall be liable to the like penalty.

INVESTIGATION BY THE REGISTRAR.

Power of Registrar to call for information or explanation.

137. (1) Where the registrar, on perusal of any document which a company is required to submit to him under the provisions of this Regulation, is of opinion that any information or explanation is necessary in order that such document may afford full particulars of the matter to which it purports to relate, he may, by a written order, call on the company submitting the document to furnish in writing such information or explanation within such time as he may specify in his order.

(2) On the receipt of an order under sub-section (1), it shall be the duty of all persons who are or have been officers of the company to furnish such information or explanation to the best of their power.

(3) If any such person refuses or neglects to furnish any such information or explanation, he shall be liable to a fine not exceeding fifty rupees in respect of each offence, and the Court may on the application of the registrar and upon notice to the company make an order on the company for production of such documents as in its opinion may reasonably be required by the registrar for his investigation and allow the registrar inspection thereof on such terms and conditions as it thinks fit.

(4) On receipt of such information or explanation the registrar may annex the same to the original document submitted to him; and any additional document so annexed by the registrar shall be subject to the like provisions as to inspection and the taking of copies as the original document is subject.

(5) If such information or explanation is not furnished within the specified time, or if after perusal of such information or explanation the registrar is of opinion that the document in question discloses an unsatisfactory state of affairs, or that it does not disclose a full and fair statement of the matters to which it purports to relate, the registrar shall report in writing the circumstances of the case to the Government.

(6) If it is represented to the registrar in materials placed before him by any contributory or creditor that the business of a company is carried on in fraud of its creditors or in fraud of persons dealing with the company or for a fraudulent purpose, he may after giving the company an opportunity of being heard by written order call on the company for information or explanation on matters specified in the order within such time as he may specify in the order and the provisions of sub-sections (2), (3) and (5) of this section shall apply to such order. If upon investigation the registrar is satisfied that any representation on which he has taken action under this sub-section is frivolous or vexatious, he shall disclose the identity of the informant to the company.

(7) The provisions of this section shall apply *mutatis mutandis* to documents which a liquidator is required to file under this Regulation.

INSPECTION AND AUDIT.

Investigation of affairs of company by inspectors.

138. The Government may appoint one or more competent inspectors to investigate the affairs of any company and to report thereon in such manner as the Government may direct—

(*i*) in the case of a banking company having a share capital, on the application of members holding not less than one-fifth of the shares issued;

(*ii*) in the case of any other company having a share capital, on the application of members holding not less than one-tenth of the shares issued;

(*iii*) in the case of a company not having a share capital, on the application of not less than one-fifth in number of the persons on the company's register of members;

(*iv*) in the case of any company, on a report by the registrar under section 137, sub-section (5).

Application for inspection to be supported by evidence.

139. An application by members of a company under section 138 shall be supported by such evidence as the Government may require for the purpose of showing that the applicants have good reason for, and are not actuated by malicious motive in, requiring the investigation; and the Government may, before appointing an inspector, require the applicants to give security for payment of the costs of the inquiry.

140. (1) It shall be the duty of all persons who are or have been officers of the company to produce to the inspectors all books and documents in their custody or power relating to the company.

Inspection of books and examination of officers.

(2) An inspector may examine on oath any such person in relation to its business, and may administer an oath accordingly.

(3) If any person refuses to produce any book or document which under this section it is his duty to produce, or to answer any question relating to the affairs of the company, he shall be liable to a fine not exceeding fifty rupees in respect of each offence.

141. (1) On the conclusion of the investigation, the inspectors shall report their opinion to the Government and a copy of the report shall be forwarded by the Government to the registrar and another copy to the registered office of the company, and a further copy shall, at the request of the applicants for the investigation, be delivered to them.

Results of examination how dealt with.

(2) The report shall be written or printed, as the Government directs.

(3) All expenses of, and incidental to, the investigation shall be defrayed by the applicants unless the Government directs the same to be paid by the company, which the Government is hereby authorised to do:

Provided that the expenses of, and incidental to, an investigation held in pursuance of clause (iv) of section 138 shall be paid out of the assets of the company and shall be recoverable as an arrear of land revenue.

(4) The registrar shall keep the copy of the report sent to him with the records of the company in his custody.

141-A. (1) If from any report made under section 138 it appears to the Government that any person has been guilty of any offence in relation to the company for which he is criminally liable, the Government shall refer the matter to the Government Advocate or any other officer duly authorized by the Government in this behalf.

Institution of prosecutions.

(2) If the officer to whom the matter is referred considers that the case is one in which a prosecution ought to be instituted, he shall cause proceedings to be instituted, and it shall be the duty of all officers and agents of the company, past and present (other than the accused

in the proceedings), to give to him all assistance in connection with the prosecution which they are reasonably able to give.

(3) For the purposes of sub-section (2), the expression "agents" in relation to a company shall be deemed to include the bankers and legal advisers of the company and any persons employed by the company as auditors, whether those persons are or are not officers of the company.

(4) Any director, manager or other officer of the company convicted as the result of a prosecution initiated under this section shall not without the leave of the Court be a director of or in any way whether directly or indirectly be concerned in or take part in the management of a company for a period of five years from the date of such conviction.

Power of company to appoint inspectors.

142. (1) A company may by special resolution appoint inspectors to investigate its affairs.

(2) Inspectors so appointed shall have the same powers and duties as inspectors appointed by the Government, except that, instead of reporting to the Government, they shall report in such manner and to such persons as the company in general meeting may direct.

(3) All persons who are or have been officers of the company shall incur the like penalties in case of refusal to produce any book or document required to be produced to inspectors so appointed, or to answer any question, as they would have incurred if the inspectors had been appointed by the Government.

Report of inspectors to be evidence.

143. A copy of the report of any inspectors appointed under this Regulation authenticated by the seal of the company whose affairs they have investigated, shall be admissible in any legal proceeding as evidence of the opinion of the inspectors in relation to any matter contained in the report.

Qualifications and appointment of auditors.

144. (1) No person shall be appointed or act as an auditor of any company other than a private company not being the subsidiary company of a public company unless he holds a certificate from the Government entitling him to act as an auditor of companies:

Provided that a firm whereof all the persons practising in Mysore hold such certificates may be appointed by its firm-name to be auditor of company and may act in its firm-name.

(2) The Government may, by notification in the official Gazette and after previous publication, make rules providing for the grant, renewal or cancellation of such certificates and prescribing conditions and restrictions for such grant, renewal or cancellation. The holder of such a certificate shall be entitled to act as an auditor of companies throughout Mysore unless such certificate restricts or limits the exercise of the right.

(3) Every company shall at each annual general meeting appoint an auditor or auditors to hold office until the next annual general meeting.

(4) If an appointment of an auditor is not made at an annual general meeting, the Government may, on the application of any member of the company, appoint an auditor of the company for the current year, and fix the remuneration to be paid to him by the company for his services.

(5) The following persons: that is to say,—

(*i*) a director or officer of the company; and

(*ii*) a partner of such director or officer; and

(*iii*) in the case of a company other than a private company not being the subsidiary company of a public company any person in the employment of such director, or officer, and

(*iv*) any person indebted to the company;

shall not be appointed auditors of the company and if any person after being appointed auditor becomes indebted to the company his appointment shall thereupon be terminated.

(6) A person, other than a retiring auditor, shall not be capable of being appointed auditor at an annual general meeting unless notice of an intention to nominate that person to the office of auditor has been given by a member of the company to the company not less than fourteen days before such annual general meeting, and the company shall send a copy of any such notice to the retiring auditor, and shall give notice thereof to its members either by advertisement or in any other mode allowed by the articles not less than seven days before the annual general meeting:

Provided that, if after notice of the intention to nominate an auditor has been given to the company, an annual general meeting is called for a date fourteen days or less after the notice has been given, the requirements of this section as to time in respect of such a notice shall be deemed to have been satisfied, and the notice to be sent or given by the company may, instead of being sent or given within the time required by this section, be sent or given at the same time as the notice of the annual general meeting.

(7) The first auditors of the company may be appointed by the directors before the statutory meeting, and if so appointed shall hold office until the first annual general meeting, unless previously removed by a resolution of the members of the company in general meeting, in which case such members at that meeting may appoint auditors.

(8) The directors may fill any casual vacancy in the office of auditor, but while any such vacancy continues, the surviving or continuing auditor or auditors (if any) may act.

(9) The remuneration of the auditors of a company shall be fixed by the company in general meeting, except that the remuneration of any auditors appointed before the statutory meeting, or to fill any casual vacancy, may be fixed by the directors.

Powers and duties of auditors.

145. (1) Every auditor of a company shall have a right of access at all times to the books and accounts and vouchers of the company, and shall be entitled to require from the directors and officers of the company such information and explanation as may be necessary for the performance of the duties of the auditors.

(2) The auditors shall make a report to the members of the company on the accounts examined by them, and on every balance sheet and profit and loss account laid before the company in general meeting during their tenure of office, and the report shall state:—

(*a*) whether or not they have obtained all the information and explanations they have required; and

(*b*) whether or not in their opinion the balance-sheet and the profit and loss account referred to in the report are drawn up in conformity with the law; and

(c) whether or not such balance-sheet exhibits a true and correct view of the state of the company's affairs according to the best of their information and the explanations given to them, and as shown by the books of the company; and

(d) whether in their opinion books of account have been kept by the company as required by section 130.

(2A) Where any of the matters referred to in clauses (a), (b), (c) and (d) of sub-section (2) is answered in the negative or with a qualification, the report shall state the reason for such answer.

(3) In the case of a banking company, if the company has branch banks beyond the limits of Mysore, it shall be sufficient if the auditor is allowed access to such copies of and extracts from the books and accounts of any such branch as have been transmitted to the head office of the company in Mysore.

(4) The auditors of a company shall be entitled to receive notice of and to attend any general meeting of the company at which any accounts which have been examined or reported on by them are to be laid before the company and may make any statement or explanation they desire with respect to the accounts.

(5) If any auditors' report is made which does not comply with the requirements of this section, every auditor who is knowingly and wilfully a party to the default shall be punishable with fine which may extend to one hundred rupees.

Rights of preference shareholders, etc., as to receipts and inspection of reports, etc.

146. (1) Holders of preference shares and debentures of a company shall have the same right to receive and inspect the balance sheets and profit and loss accounts of the company and the reports of the auditors and other reports as is possessed by the holders of ordinary shares in the company.

(2) This section shall not apply to a private company, nor to a company registered before the commencement of this Regulation:

Provided that in the case of any public company whether registered before or after the commencement of this Regulation the trustees for holders of debentures shall have the right conferred by sub-section (1) on holders of preference shares and debentures of a company.

Carrying on business with less than the legal minimum of members.

Liability for carrying on business with fewer than seven or, in the case of a private company, two members.

147. If at any time the number of members of a company is reduced, in the case of a private company, below two, or in the case of any other company, below seven, and it carries on business for more than six months while the number is so reduced, every person who is a member of the company during the time that it so carries on business after those six months and is cognisant of the fact that it is carrying on business with fewer than two members or seven members, as the case may be, shall be severally liable for the payment of the whole debts of the company contracted during that time, and may be sued for the same without joinder in the suit of any other member.

Service and Authentication of Documents.

Service of documents on company.

148. A document may be served on a company by leaving it at, or sending it by post to, the registered office of the company.

Service of documents on registrar.

149. A document may be served on the registrar by sending it to him by post, or delivering it to him, or by leaving it for him at his office.

Authentication of documents.

150. A document or proceeding requiring authentication by a company may be signed by a director, secretary or other authorised officer of the company, and need not be under its common seal.

Tables, Forms and Rules as to prescribed matters.

Application and alteration of tables and forms, and power to make rules as to prescribed matters.

151. (1) The forms in the Third Schedule or forms as near thereto as circumstances admit shall be used in all matters to which those forms refer.

(2) The Government may alter any of the tables and forms in the First Schedule, so that it does not increase the amount of fees payable to the registrar in the said Schedule mentioned, and may alter or add to the forms in the Third Schedule.

(3) Any such table or form, when altered, shall be published in the official Gazette, and on such publication shall have effect as if enacted in this Regulation, but no alteration made by the Government in Table A in the

First Schedule shall affect any company registered before the alteration, or repeal, as respects that company, any portion of that table.

(4) In addition to the powers herein before conferred by this section, the Government shall have power to make rules providing for all or any matters which by this Regulation are to be prescribed by its authority.

(5) Every such rule shall be published in the official Gazette, and on such publication shall have effect as if enacted in this Regulation.

ARBITRATION AND COMPROMISE.

Power for companies to refer matters to arbitration.

152. (1) A company may by written agreement refer to arbitration, in accordance with the Mysore Arbitration Regulation, 1917, an existing or future difference between itself and any other company or person.

(2) Companies, parties to the arbitration, may delegate to the arbitrator power to settle any terms or to determine any matter capable of being lawfully settled or determined by the companies themselves, or by their directors or other managing body.

(3) The provisions of the Mysore Arbitration Regulation, 1917, other than those restricting the application of the Regulation in respect of the subject-matter of the arbitration, shall apply to all arbitrations between companies and persons in pursuance of this Regulation.

Power to compromise with creditors and members.

153. (1) Where a compromise or arrangement is proposed between a company and its creditors or any class of them, or between the company and its members or any class of them, the Court may, on the application in a summary way of the company or of any creditor or member of the company or, in the case of a company being wound up, of the liquidator, order a meeting of the creditors or class of creditors, or of the members of the company or class of members, as the case may be, to be called, held and conducted in such manner as the Court directs.

(2) If a majority in number representing three-fourths in value of the creditors or class of creditors, or members or class of members, as the case may be, present either in person or by proxy at the meeting, agree to any compromise or arrangement, the compromise or arrangement shall, if sanctioned by the Court, be binding on all the creditors or the class of creditors, or on all the

members or class of members, as the case may be, and also on the company, or, in the case of a company in the course of being wound up, on the liquidator and contributories of the company.

(3) An order made under sub-section (2) shall have no effect until a certified copy of the order has been filed with the registrar, and a copy of every such order shall be annexed to every copy of the memorandum of the company issued after the order has been made, or in the case of a company not having a memorandum, of every copy so issued of the instrument constituting or defining the constitution of the company.

(4) If a company makes default in complying with sub-section (3) the company and every officer of the company who is knowingly and wilfully in default shall be liable to a fine not exceeding ten rupees for each copy in respect of which default is made.

(5) The Court may, at any time after an application has been made to it under this section, stay the commencement or continuation of any suit or proceeding against a company on such terms as it thinks fit and proper until the application is finally disposed of.

(6) In this section the expression "company" means any company liable to be wound up under this Regulation, and for the purposes of this section unsecured creditors who may have filed suits or obtained decrees shall be deemed to be of the same class as other unsecured creditors.

(7) An appeal shall lie from any order made by the Court exercising original jurisdiction under this section to the authority authorised to hear appeals from the decisions of the Court.

Provisions for facilitating arrangements and compromises.

153-A. (1) Where an application is made to the Court under section 153 for the sanctioning of a compromise or arrangement proposed between a company and any such persons as are mentioned in that section, and it is shown to the Court that the compromise or arrangement has been proposed for the purposes of or in connection with a scheme for the reconstruction of any company or companies or the amalgamation of any two or more companies, and that under the scheme the whole or any part of the undertaking or the property of any company concerned in the scheme (in this section referred to as a

'transferor company') is to be transferred to another company (in this section referred to as 'the transferee company'), the Court may, either by the order sanctioning the compromise or arrangement or by any subsequent order, make provision for all or any of the following matters:—

(*a*) the transfer to the transferee company of the whole or any part of the undertaking and of the property or liabilities of any transferor company;

(*b*) the allotting or appropriation by the transferee company of any shares, debentures, policies, or other like interests in that company which under the compromise or arrangement are to be allotted or appropriated by that company to or for any person;

(*c*) the continuation by or against the transferee company of any legal proceedings pending by or against any transferor company;

(*d*) the dissolution, without winding up, of any transferor company;

(*e*) the provision to be made for any persons who, within such time and in such manner as the Court directs, dissent from the compromise or arrangement;

(*f*) such incidental, consequential and supplemental matters as are necessary to secure that the reconstruction or amalgamation shall be fully and effectively carried out.

(2) Where an order under this section provides for the transfer of property or liabilities, that property shall, by virtue of the order, be transferred to and vest in, and those liabilities shall, by virtue of the order, be transferred to and become the liabilities of, the transferee company, and in the case of any property, if the order so directs, freed from any charge which is by virtue of the compromise or arrangement to cease to have effect.

(3) Where an order is made under this section, every company in relation to which the order is made shall cause a certified copy thereof to be delivered to the registrar for registration within fourteen days after the completion of the order, and if default is made in complying with this sub-section, the company and every officer of the company who is knowingly and wilfully in default shall be liable to a fine not exceeding fifty rupees.

(4) In this section the expression 'property' includes property, rights and powers of every description, and the expression 'liabilities' includes duties.

(5) Notwithstanding the provisions of sub-section (4) of section 153, the expression 'company' in this section does not include any company other than a company within the meaning of this Regulation

Power to acquire shares of shareholders dissenting from schemes or contract approved by majority.

153-B. (1) Where a scheme or contract involving the transfer of shares or any class of shares in a company (in this section referred to as 'the transferor company') to another company, whether a company within the meaning of this Regulation or not (in this section referred to as 'the transferee company'), has within four months after the making of the offer in that behalf by the transferee company been approved by the holders of not less than three-fourths in value of the shares affected, the transferee company may, at any time within two months after the expiration of the said four months, give notice in the prescribed manner to any dissenting shareholder that it desires to acquire his shares, and where such a notice is given the transferee company shall, unless on an application made by the dissenting shareholder within one month from the date on which the notice was given the Court thinks fit to order otherwise, be entitled and bound to acquire those shares on the terms on which under the scheme or contract the shares of the approving shareholders are to be transferred to the transferee company:

Provided that, where any such scheme or contract has been so approved at any time before the commencement of this Regulation, the Court may by order, on an application made to it by the transferee company within two months after the commencement of that Regulation, authorise notice to be given under this section at any time within fourteen days after the making of the order, and this section shall apply accordingly, except that the terms on which the shares of the dissenting shareholder are to be acquired shall be such terms as the Court may by the order direct instead of the terms provided by the scheme or contract.

(2) Where a notice has been given by the transferee company under this section and the Court has not, on an application made by the dissenting shareholder, ordered to the contrary, the transferee company shall, on the expiration of one month from the date on which the notice has been given, or, if an application to the Court by the

dissenting shareholder is then pending, after that application has been disposed of, transmit a copy of the notice to the transferor company and pay or transfer to the transferor company the amount or other consideration representing the price payable by the transferee company for the shares which by virtue of this section that company is entitled to acquire, and the transferor company shall thereupon register the transferee company as the holder of those shares.

(3) Any sums received by the transferor company under this section shall be paid into a separate bank account, and any such sums and any other consideration so received shall be held by that company on trust for the several persons entitled to the shares in respect of which the said sums or other consideration were respectively received.

(4) In this section the expression 'dissenting shareholder' includes a shareholder who has not assented to the scheme or contract and any shareholder who has failed or refused to transfer his shares to the transferee company in accordance with the scheme or contract.

Conversion of private Company into public company.

154. (1) If a company, being a private company, alters its articles in such manner that they no longer include the provisions which, under the provisions of clause (13) of sub-section (1) of section 2, are required to be included in the articles of a company in order to constitute it a private company, the company shall, as on the date of the alteration, cease to be a private company and shall, within a period of fourteen days after the said date, file with the Registrar a prospectus or a statement in lieu of prospectus in the form and containing the particulars set out in the form marked II in the Second Schedule.

(2) If default is made in complying with sub-section (1) of this section, the company and every officer of the company who is knowingly and wilfully in default shall be liable to a fine not exceeding five hundred rupees.

(3) Where the articles of a company include the provisions aforesaid but default is made in complying with any of those provisions, the company shall cease to be entitled to the privileges and exemptions conferred on private companies under the provisions contained in this Regulation, and thereupon the provisions of this Regulation shall apply to the company as if it were not a private company:

Provided that the Court, on being satisfied that the failure to comply with the conditions was accidental or due to inadvertence or to some other sufficient cause, or that on other grounds it is just and equitable to grant relief, may, on the application of the company or any other person interested and on such terms and conditions as seem to the Court just and expedient, order that the company be relieved from such consequences as aforesaid."

PART V.

Winding up.

PRELIMINARY.

Mode of winding up.

155. (1) The winding up of a company may be either—

(i) by the Court; or

(ii) voluntary; or

(iii) subject to the supervision of the Court.

(2) The provisions of this Regulation with respect to winding up apply, unless the contrary appears, to the winding up of a company in any of these modes.

CONTRIBUTORIES.

Liability as contributories of present and past members.

156. (1) In the event of a company being wound up, every present and past member shall, subject to the provisions of this section, be liable to contribute to the assets of the company to an amount sufficient for payment of its debts and liabilities and the costs, charges and expenses of the winding up, and for the adjustment of the rights of the contributories among themselves, with the qualifications following (that is to say):—

(i) a past member shall not be liable to contribute if he has ceased to be a member for one year or upwards before the commencement of the winding up;

(ii) a past member shall not be liable to contribute in respect of any debt, or liability of the company contracted after he ceased to be a member;

(iii) a past member shall not be liable to contribute unless it appears to the Court that the existing members are unable to satisfy the contributions required to be made by them in pursuance of this Regulation;

(iv) in the case of a company limited by shares, no contribution shall be required from any member exceeding the amount (if any) unpaid on the shares in respect to which he is liable as a present or past member;

(v) in the case of a company limited by guarantee, no contribution shall be required from any member exceeding the amount undertaken to be contributed by him to the assets of the company in the event of its being wound up;

(vi) nothing in this Regulation shall invalidate any provision contained in any policy of insurance or other contract whereby the liability of individual members on the policy or contract is restricted, or whereby the funds of the company are alone made liable in respect of the policy or contract;

(vii) a sum due to any member of a company in his character of a member, by way of dividends, profits or otherwise, shall not be deemed to be a debt of the company payable to that member in a case of competition between himself and any other creditor not a member of the company; but any such sum may be taken into account for the purpose of the final adjustments of the rights of the contributories among themselves.

(2) In the winding up of a company limited by guarantee which has a share capital, every member of the company shall be liable, in addition to the amount undertaken to be contributed by him to the assets of the company in the event of its being wound up, to contribute to the extent of any sums unpaid on any shares held by him.

Liability of directors whose liability is unlimited.

157. In the winding up of a limited company, any director whether past or present, whose liability is, in pursuance of this Regulation, unlimited, shall, in addition to his liability (if any) to contribute as an ordinary member, be liable to make a further contribution as if he were

at the commencement of the winding up a member of an unlimited company:

Provided that—

(i) a past director shall not be liable to make such further contribution if he has ceased to hold office for a year or upwards before the commencement of the winding up;

(ii) a past director shall not be liable to make such further contribution in respect of any debt or liability of the company contracted after he ceased to hold office;

(iii) subject to the articles a director shall not be liable to make such further contribution unless the Court deems it necessary to require that contribution in order to satisfy the debts and liabilities of the company, and the costs, charges and expenses of the winding up.

Meaning of "contributory."

158. The term "contributory" means every person liable to contribute to the assets of a company in the event of its being wound up, and, in all proceedings for determining and in all proceedings prior to the final determination of the persons who are to be deemed contributories, includes any person alleged to be a contributory.

Nature of liability of contributory.

159 (1) The liability of a contributory shall create a debt payable at the time specified in the calls made on him by the liquidator.

(2) No claim founded on the liability of a contributory shall be cognizable by any Court of Small Causes.

Contributories in case of death of member.

160. (1) If a contributory dies either before or after he has been placed on the list of contributories, his legal representatives and his heirs shall be liable in a due course of administration to contribute to the assets of the company in discharge of his liability and shall be contributories accordingly.

(2) If the legal representatives or heirs make default in paying any money ordered to be paid by them, proceedings may be taken for administering the property of the deceased contributory, whether movable or immovable, or both, and of compelling payment thereout of the money due.

(3) For the purposes of this section the surviving co-parceners of a contributory who is a member of a Hindu joint-family governed by the Mitakshara School of Hindu Law shall be deemed to be his legal representatives and heirs.

161. If a contributory is adjudged insolvent either before or after he has been placed on the list of contributories, then— Contributories in case of insolvency of member.

(1) his assignees shall represent him for all the purposes of the winding up, and shall be contributories accordingly, and may be called on to admit to proof against the estate of the insolvent, or otherwise to allow to be paid out of his assets in due course of law, any money due from the insolvent in respect of his liability to contribute to the assets of the company; and

(2) there may be proved against the estate of the insolvent the estimated value of his liability to future calls as well as calls already made.

WINDING UP BY COURT.

162. A company may be wound up by the Court— Circumstances in which company may be wound up by Court.

(i) if the company has by special resolution resolved that the company be wound up by the Court;

(ii) if default is made in filing the statutory report or in holding the statutory meeting;

(iii) if the company does not commence its business within a year from its incorporation, or suspends its business for a whole year;

(iv) if the number of members is reduced, in the case of a private company, below two or, in the case of any other company, below seven;

(v) if the company is unable to pay its debts;

(vi) if the company fails to alter its name, when required to do so under proviso to sub-section 3 of section 11;

(vii) if the Court is of opinion that it is just and equitable that the company should be wound up.

163. (1) A company shall be deemed to be unable to pay its debts— Company when deemed unable to pay its debts.

(i) if a creditor, by assignment or otherwise, to whom the company is indebted in a sum exceeding five hundred rupees then due, has served on the company, by causing the same to be delivered by registered post or otherwise at its registered office, a demand under his hand requiring the company to pay the sum so due and the company has for three weeks thereafter neglected to pay the sum, or to

secure or compound for it to the reasonable satisfaction of the creditor; or

(ii) if execution or other process issued on a decree or order of any Court in favour of a creditor of the company is returned unsatisfied in whole or in part; or

(iii) if it is proved to the satisfaction of the Court that the company is unable to pay its debts, and, in determining whether a company is unable to pay its debts, the Court shall take into account the contingent and prospective liabilities of the company.

(2) The demand referred to in clause (i) of sub-section (1) shall be deemed to have been duly given under the hand of the creditor if it is signed by an agent or legal adviser duly authorised on his behalf, or in the case of a firm if it is signed by such agent or by a legal adviser or any one member of the firm on behalf of the firm.

Winding up may be referred to District Court.

164. Where the High Court makes an order for winding up a company under this Regulation, it may, if it thinks fit, direct all subsequent proceedings to be had in a District Court; and thereupon such District Court shall, for the purpose of winding up the company, be deemed to be "the Court" within the meaning of this Regulation and shall have, for the purposes of such winding up, all the jurisdiction and powers of the High Court.

Transfer of winding up from one District Court to another.

165. If during the progress of a winding up in a District Court it is made to appear to the High Court that the same could be more conveniently prosecuted in any other District Court having jurisdiction to wind up companies, the High Court may transfer the same to such other Court, and thereupon the winding up shall proceed in such other District Court.

Provisions as to applications for winding up.

166. An application to the Court for the winding up of a company shall be by petition presented, subject to the provisions of this section, either by the company, or by any creditor or creditors (including any contingent or prospective creditor or creditors), contributory or contributories, or by all or any of those parties, together or separately, or by the registrar:

Provided that—

(*a*) a contributory shall not be entitled to present a petition for winding up a company unless—

(i) either the number of members is reduced, in the case of a private company, below two,

or, in the case of any other company, below seven; or

(ii) the shares in respect of which he is a contributory or some of them either were originally allotted to him or have been held by him, and registered in his name, for at least six months during the eighteen months before the commencement of the winding up, or have devolved on him through the death of a former holder;

(*aa*) the registrar shall not be entitled to present a petition for winding up a company—

(i) except on the ground that from the financial condition of the company as disclosed in its balancesheet or from the report of an inspector appointed under section 138 it appears that the company is unable to pay its debts, and

(ii) unless the previous sanction of the Government has been obtained to the presentation of the petition:

Provided that no such sanction shall be given unless the company has first been afforded an opportunity of being heard.

(*b*) a petition of winding up a company on the ground of default on filing the statutory report or in holding the statutory meeting shall not be presented by any person except a shareholder, nor before the expiration of fourteen days after the last day on which the meeting ought to have been held;

(*c*) the Court shall not give a hearing to a petition for winding up a company by a contingent or prospective creditor until such security for costs has been given as the Court thinks reasonable and until a *prima facie* case for winding up has been established to the satisfaction of the Court.

167. An order for winding up a company shall operate in favour of all the creditors and of all the contributories of the company as if made on the joint petition of a creditor and of a contributory. Effect of winding up order.

168. A winding up of a company by the Court shall be deemed to commence at the time of the presentation of the petition for the winding up. Commencement of winding up by Court.

Court may grant injunction.

169. The Court may, at any time after the presentation of the petition for winding up a company under this Regulation, and before making an order for winding up the company, upon the application of the company or of any creditor or contributory of the company, restrain further proceedings in any suit or proceeding against the company, upon such terms as the Court thinks fit.

Powers of Court on hearing petition.

170. (1) On hearing the petition the Court may dismiss it with or without costs, or adjourn the hearing conditionally or unconditionally, or make any interim order or any other order that it deems just, but the Court shall not refuse to make a winding up order on the ground only that the assets of the company have been mortgaged to an amount equal to or in excess of those assets, or that the company has no assets.

(2) Where the petition is presented on the ground of default in filing the statutory report or in holding the statutory meeting, the Court may order the costs to be paid by any persons who, in the opinion of the Court, are responsible for the default.

(3) Where the Court makes an order for the winding up of a company it shall, except where a liquidator is appointed simultaneously, forthwith cause intimation thereof to be sent to the official receiver.

Suits stayed on winding up order.

171. When a winding up order has been made or a provisional liquidator has been appointed, no suit or other legal proceeding shall be proceeded with or commenced against the company except by leave of the Court, and subject to such terms as the Court may impose.

171-A. (1) For the purposes of this Regulation so far as it relates to the winding up of companies by the Court, the term 'official receiver' means the official receiver attached to the Court, or, if there is no such official receiver, then such person as the Government may, by notification in the official Gazette, appoint for the purpose.

Vacancy in the office of liquidator.

(2) On the making of a winding up order, the official receiver shall become the official liquidator of the company and shall continue to act as such until his further continuance is terminated by an order of the Court.

(3) The official receiver shall as such official liquidator forthwith take into his custody and control all the books, documents and the assets of the company.

(4) The official receiver shall be entitled to such remuneration as the Court shall fix.

172. (1) On the making of a winding up order it shall be the duty of the petitioner in the winding up proceedings and of the company to file with the registrar a copy of the order within a month from the date of the making of the order.

Copy of winding up order to be filed with registrar.

(2) On the filing of a copy of a winding up order, the registrar shall make a minute thereof in his books relating to the company, and shall notify in the official Gazette that such an order has been made.

(3) Such order shall be deemed to be notice of discharge to the servants of the company, except when the business of the company is continued.

173. The Court may at any time after an order for winding up, on the application of any creditor or contributory, and on proof to the satisfaction of the Court that all proceedings in relation to the winding up ought to be stayed, make an order staying the proceedings, either altogether or for a limited time, on such terms and conditions as the Court thinks fit.

Power of Court to stay winding up.

174. The Court may, as to all matters relating to a winding up, have regard to the wishes of the creditors or contributories as proved to it by any sufficient evidence.

Court may have regard to wishes of creditors or contributories.

Official Liquidators.

175. (1) For the purpose of conducting the proceedings in winding up a company and performing such duties in reference thereto as the Court may impose, the Court may appoint a person or persons other than the official receiver, to be called an official liquidator or official liquidators.

Appointment of official liquidator.

(2) The Court may make such an appointment provisionally at any time after the presentation of a petition and before the making of an order for winding up, but shall before making any such appointment give notice to the company, unless for reasons to be recorded it thinks fit to dispense with notice.

(3) If more persons than one are appointed to the office of official liquidator, the Court shall declare whether any act by this Regulation required or authorized to be done by the official liquidator is to be done by all or any one or more of such persons.

(4) The Court may determine whether any, and what, security is to be given by any official liquidator on his appointment.

(5) The acts of an official liquidator shall be valid notwithstanding any defect that may afterwards be discovered in his appointment: Provided that nothing in this sub-section shall be deemed to give validity to acts done by an official liquidator after his appointment has been shown to be invalid.

(6) A receiver shall not be appointed of assets in the hands of an official liquidator.

Resignations, removals, filling up vacancies and compensation.

176. (1) Any official liquidator may resign or be removed by the Court on due cause shown.

(2) Any vacancy in the office of an official liquidator appointed by the Court shall be filled up by the Court and until the vacancy is so filled up the official receiver shall be and act as the official liquidator.

(3) There shall be paid to the official liquidator such salary or remuneration, by way of percentage or otherwise, as the Court may direct; and, if more liquidators than one are appointed, such remunerations shall be distributed amongst them in such proportions as the Court directs.

Official liquidator.

177. The official liquidator shall be described by the style of the official liquidator of the particular company in respect of which he is appointed, and not by his individual name.

Statement of affairs to be made to the liquidator.

177-A. (1) Where the Court has made a winding up order or appointed an official liquidator provisionally, there shall, unless the Court thinks fit to order otherwise and so orders, be made out and submitted to the official liquidator a statement as to the affairs of the company verified by an affidavit and containing the following particulars, namely:—

(*a*) the assets of the company, stating separately the cash balance in hand and at the bank, if any;

(*b*) the debts and liabilities;

(*c*) the names, residences and occupations of the creditors stating separately the amount of secured debts and unsecured debts, and in the case of secured debts particulars of the securities, their value and the dates when they were given;

(*d*) the debts due to the company and the names, residences and occupations of the persons from whom they are due and the amount likely to be realised therefrom.

(2) The statement shall be submitted and verified by one or more of the persons who are at the relevant date the directors and by the person who is at that date the secretary, manager or other chief officer of the company, or by such of the persons hereinafter in this sub-section mentioned as the official liquidator, subject to the direction of the Court, may require to submit and verify the statement, that is to say, persons—

(*a*) who are or have been directors or officers of the company;

(*b*) who have taken part in the formation of the company at any time within one year before the relevant date;

(*c*) who are in the employment of the company, or have been in the employment of the company within the said year, and are in the opinion of the official liquidator capable of giving the information required;

(*d*) who are or have been within the said year officers of or in the employment of a company, which is, or within the said year was, an officer of the company to which the statement relates.

(3) The statement shall be submitted within twenty-one days from the relevant date, or within such extended time as the official liquidator or the Court may for special reasons appoint.

(4) Any person making or concurring in making the statement and affidavit required by this section shall be allowed, and shall be paid by the official liquidator or provisional liquidator, as the case may be, out of the assets of the company, such costs and expenses incurred in and about the preparation and making of the statement and affidavit as the official liquidator may consider reasonable, subject to an appeal to the Court.

(5) If any person, without reasonable excuse, knowingly and wilfully makes default in complying with the requirements of this section, he shall be liable to a fine not exceeding one hundred rupees for every day during which the default continues.

(6) Any person stating himself in writing to be a creditor or contributory of the company shall be entitled by himself or by his agent at all reasonable times, on payment of the prescribed fee, to inspect the statement

submitted in pursuance of this section, and to a copy thereof or extract therefrom.

(7) Any person untruthfully so stating himself to be a creditor or contributory shall be guilty of an offence under section 182 of the Indian Penal Code and shall, on the application of the liquidator or of the official receiver, be punishable accordingly.

(8) In this section the expression "the relevant date" means, in a case where a provisional liquidator is appointed, the date of his appointment, and, in a case where no such appointment is made, the date of the winding up order.

Statement by liquidator.

177-B. (1) In a case where a winding up order is made, the official liquidator shall, as soon as practicable after receipt of the statement to be submitted under section 177-A, and not later than four, or with the leave of the Court, six months from the date of the order, or in a case where the Court orders that no statement shall be submitted, as soon as practicable after the date of the order, submit a preliminary report to the Court—

(*a*) as to the amount of capital issued, subscribed, and paid up, and the estimated amount of assets and liabilities, giving separately under the heading of assets particulars of—

(i) cash and negotiable securities;
(ii) debts due from contributories;
(iii) debts due to and securities, if any, available to the company;
(iv) movable and immovable properties belonging to the company;
(v) un-paid calls; and

(*b*) if the company has failed, as to the causes of the failure; and

(*c*) whether in his opinion further inquiry is desirable as to any matter relating to the promotion, formation, or failure of the company, or the conduct of the business thereof.

(2) The official liquidator may also, if he thinks fit, make a further report, or further reports, stating the manner in which the company was formed and whether in his opinion any fraud has been committed by any person in its promotion or formation, or by any director or other officer of the company in relation to the company since the formation thereof, and any other matters which

in his opinion it is desirable to bring to the notice of the Court.

178. (1) The official liquidator whether appointed provisionally or not shall take into his custody, or under his control, all the property, effects and actionable claims to which the company is or appears to be entitled.

Custody of company's property

(2) All the property and effects of the company shall be deemed to be in the custody of the Court as from the date of the order for the winding up of the company.

178-A. (1) The official liquidator shall within a month from the date of the order for the winding up of a company convene a meeting of the creditors of the company (as ascertained from the books and documents of the company) for the purpose of determining whether or not a committee of inspection shall be appointed to act with the liquidator, and who are to be members of the committee, if appointed.

Committee of Inspection in compulsory winding up.

(2) The official liquidator shall within a week from the date of the creditors' meeting convene a meeting of the contributories to consider the decision of the creditors and to accept the same with or without modifications.

(3) If the contributories do not accept the decision of the creditors in its entirety, it shall be the duty of the official liquidator to apply to the Court for directions as to whether there shall be a committee of inspection and, if so, what shall be the composition of the committee, and who shall be members thereof.

(4) A committee of inspection appointed under this section shall consist of not more than twelve members being creditors and contributories of the company or persons holding general or special powers of attorney from creditors or contributories in such proportions as may be agreed on by the meetings of creditors and contributories, or as, in case of difference, may be determined by the Court.

(5) The committee of inspection shall have the right to inspect the accounts of the official liquidator at all reasonable times.

(6) The committee shall meet at such times as they may from time to time appoint, and, failing such appointment, at least once a month, and the liquidator or any member of the committee may also call a meeting of the committee as and when he thinks necessary.

(7) The committee may act by a majority of their members present at a meeting, but shall not act unless a majority of the committee are present.

(8) A member of the committee may resign by notice in writing signed by him and delivered to the liquidator.

(9) If a member of the committee becomes bankrupt, or compounds or arranges with his creditors, or is absent from five consecutive meetings of the committee without the leave of those members who together with himself represent the creditors or contributories, as the case may be, his office shall thereupon become vacant.

(10) A member of the committee may be removed by an ordinary resolution at a meeting of creditors if he represents creditors, or of contributories if he represents contributories, of which seven days' notice has been given, stating the object of the meeting.

(11) On a vacancy occurring in the committee the liquidator shall forthwith summon a meeting of creditors or of contributories, as the case may require, to fill the vacancy, and the meeting may, by resolution, re-appoint the same or appoint another creditor or contributory to fill the vacancy.

(12) The continuing members of the committee, if not less than two, may act notwithstanding any vacancy in the committee.

Powers of official liquidator.

179. The official liquidator shall have power, with the sanction of the Court, to do the following things:—

(*a*) to institute or defend any suit or prosecution, or other legal proceeding, civil or criminal, in the name and on behalf of the company;

(*b*) to carry on the business of the company so far as may be necessary for the beneficial winding up of the same;

(*c*) to sell the immovable and movable property of the company by public auction or private contract, with power to transfer the whole thereof to any person or company, or to sell the same in parcels;

(*d*) to do all acts and to execute, in the name and on behalf of the company, all deeds, receipts, and other documents, and for that purpose to use, when necessary, the company's seal;

(*e*) to prove, rank and claim in the insolvency of any contributory, for any balance against his estate, and to receive dividends in the insolvency, in respect of that

balance, as a separate debt due from the insolvent, and rateably with the other separate creditors;

(*f*) to draw, accept, make and endorse any bill of exchange, hundi or promissory note in the name and on behalf of the company, with the same effect with respect to the liability of the company as if the bill, hundi or note had been drawn, accepted, made or endorsed by or on behalf of the company in the course of its business;

(*g*) to raise on the security of the assets of the company any money requisite;

(*h*) to take out, in his official name, letters of administration to any deceased contributory, and to do in his official name any other act necessary for obtaining payment of any money due from a contributory or his estate which cannot be conveniently done in the name of the company; and in all such cases the money due shall, for the purpose of enabling the liquidator to take out the letters of administration or recover the money, be deemed to be due to the liquidator himself;

(*i*) to do all such other things as may be necessary for winding up the affairs of the company and distributing its assets.

Discretion of official liquidators.

180. The Court may provide by any order that the official liquidator may exercise any of the above powers without the sanction or intervention of the Court, and, where an official liquidator is provisionally appointed, may limit and restrict his powers by the order appointing him.

Provision for legal assistance to official liquidator.

181. The official liquidator may, with the sanction of the Court, appoint an advocate, or pleader entitled to appear before the Court to assist him in the performance of his duties.

Official books to be kept by liquidator in winding up.

182. (1) The official liquidator of a company which is being wound up by the Court shall keep, in manner prescribed, proper books in which he shall cause to be made entries or minutes of proceedings at meetings, and of such other matters as may be prescribed, and any creditor or contributory may, subject to the control of the Court, personally or by his agent inspect any such books.

(2) Every official liquidator shall, at such times as may be prescribed but not less than twice in each year during his tenure of office, present to the Court an account of his receipts and payments as such liquidator.

(3) The account shall be in the prescribed form, shall be made in duplicate, and shall be verified by a declaration in the prescribed form.

(4) The Court shall cause the account to be audited in such manner as it thinks fit and for the purpose of the audit the liquidator shall furnish the Court with such vouchers and information as the Court may require, and the Court may at any time require the production of and inspect any books or accounts kept by the liquidator.

(5) When the account has been audited, one copy thereof shall be filed and kept by the Court, and the other copy shall be delivered to the registrar for filing, and each copy shall be open to the inspection of any creditor, or of any person interested.

Exercise and control of liquidator's powers.

183. (1) Subject to the provisions of this Regulation the official liquidator of a company which is being wound up by the Court shall, in the administration of the assets of the company and in the distribution thereof among its creditors, have regard to any directions that may be given by resolution of the creditors or contributories at any general meeting or by the committee of inspection, and any directions given by the creditors or contributories at any general meeting shall in case of conflict be deemed to override any directions given by the committee of inspection.

(2) The official liquidator may summon general meetings of the creditors or contributories for the purpose of ascertaining their wishes, and it shall be his duty to summon meetings at such times as the creditors or contributories, by resolution, may direct, or whenever requested in writing to do so by one-tenth in value of the creditors or contributories, as the case may be.

(3) The official liquidator may apply to the Court in manner prescribed for directions in relation to any particular matter arising in the winding up.

(4) Subject to the provisions of this Regulation, the official liquidator shall use his own discretion in the administration of the assets of the company and in the distribution thereof among the creditors.

(5) If any person is aggrieved by any act or decision of the official liquidator, that person may apply to the Court, and the Court may confirm, reverse or modify the act or dicision complained of, and make such order as it thinks just in the circumstances.

ORDINARY POWERS OF COURT.

Settlement of list of contributories and application of assets.

184. (1) As soon as may be after making a winding up order, the Court shall settle a list of contributories,

with power to rectify the register of members in all cases where rectification is required in pursuance of this Regulation, and shall cause the assets of the company to be collected and applied in discharge of its liabilities.

(2) In settling the list of contributories, the Court shall distinguish between persons who are contributories in their own right and persons who are contributories as being representatives of or liable for the debts of others.

Power to require delivery of property.

185. The Court may, at any time after making a winding up order, require any contributory for the time being settled on the list of contributories and any trustee, receiver, banker, agent, or officer of the company to pay, deliver, surrender or transfer forthwith, or within such time as the Court directs, to the official liquidator any money, property or documents in his hands to which the company is *prima facie* entitled.

Power to order payment of debts by contributory.

186. (1) The Court may, at any time after making a winding up order, make an order on any contributory for the time being settled on the list of contributories to pay, in manner directed by the order, any money due from him or from the estate of the person whom he represents to the company exclusive of any money payable by him or the estate by virtue of any call in pursuance of this Regulation.

(2) The Court in making such an order may, in the case of an unlimited company, allow to the contributory by way of set-off any money due to him or to the estate which he represents from the company on any independent dealing or contract with the company, but not any money due to him as a member of the company in respect of any dividend or profit; and may, in the case of a limited company, make to any director whose liability is unlimited or to his estate the like allowance:

Provided that, in the case of any company, whether limited or unlimited, when all the creditors are paid in full, any money due on any account whatever to a contributory from the company may be allowed to him by way of set-off against any subsequent call.

Power of Court to make calls.

187. (1) The Court may, at any time after making a winding up order, and either before or after it has ascertained the sufficiency of the assets of the company, make calls on and order payment thereof by all or any of the contributories for the time being settled on the list of the contributories to the extent of their liability, for payment of any money which the Court considers necessary

to satisfy the debts and liabilities of the company, and the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves.

(2) In making the call the Court may take into consideration the probability that some of the contributories may partly or wholly fail to pay the call.

Power to order payment into bank.

188. The Court may order any contributory, purchaser or other person from whom money is due to the company to pay the same into the account of the official liquidator in any bank approved by Government instead of to the official liquidator, and any such order may be enforced in the same manner as if it had directed payment to the official liquidator.

Regulation of account with Court.

189. All moneys, bills, hundis, notes and other securities paid and delivered into the bank where the liquidator of the Company may have his account in the event of a company being wound up by the Court, shall be subject in all respects to the orders.

Order on contributory conclusive evidence.

190. (1) An order made by the Court on a contributory shall, subject to any right of appeal, be conclusive evidence that the money, if any, thereby appearing to be due or ordered to be paid is due.

(2) All other pertinent matters stated in the order shall be taken to be truely stated as against all persons, and in all proceedings whatsoever.

Power to exclude creditors not proving in time.

191. The Court may fix a time or times within which creditors are to prove their debts or claims, or to be excluded from the benefit of any distribution made before those debts are proved.

Adjustment of rights of contributories.

192. The Court shall adjust the rights of the contributories among themselves, and distribute any surplus among the persons entitled thereto.

Power to order costs.

193. The Court may, in the event of the assets being insufficient to satisfy the liabilities, make an order as to the payment out of the assets of the costs, charges and expenses incurred in the winding up in such order of priority as the Court thinks just.

Dissolution of company.

194. (1) When the affairs of a company have been completely wound up, the Court shall make an order that the company be dissolved from the date of the order, and the company shall be dissolved accordingly.

(2) The order shall be reported within fifteen days of the making thereof by the official liquidator to the Registrar, who shall make in his books a minute of the dissolution of the company.

(3) If the official liquidator makes default in complying with the requirements of this section, he shall be liable to a fine not exceeding fifty rupees for every day during which he is in default.

EXTRAORDINARY POWERS OF COURT.

Power to summon persons suspected of having property of company.

195. (1) The Court may, after it has made a winding up order, summon before it any officer of the company or person known or suspected to have in his possession any property of the company, or supposed to be indebted to the company, or any person whom the Court deems capable of giving information concerning the trade, dealings, affairs or property of the company.

(2) The Court may examine him on oath concerning the same, either by word of mouth or on written interrogatories, and may reduce his answers to writing and require him to sign them.

(3) The Court may require him to produce any documents in his custody or power relating to the company; but, where he claims any lien on documents produced by him, the production shall be without prejudice to that lien, and the Court shall have jurisdiction in the winding up to determine all questions relating to that lien.

(4) If any person so summoned, after being tendered a reasonable sum for his expenses, refuses to come before the Court at the time appointed, not having a lawful impediment (made known to the Court at the time of its sitting, and allowed by it), the Court may cause him to be apprehended and brought before the Court for examination.

Power to order public examination of promoters, directors, etc.

196. (1) When an order has been made for winding up a company by the Court, and the official liquidator has applied to the Court stating that in his opinion a fraud has been committed by any person in the promotion or formation of the company or by any director or other officer of the company in relation to the company since its formation, the Court may, after consideration of the application, direct that any person who has taken any part in the promotion or formation of the company, or has been a director, manager or other officer of the company, shall attend before the Court on a day appointed by

the Court for that purpose, and be publicly examined as to the promotion or formation or the conduct of the business of the company, or as to his conduct and dealings as director, manager or other officer thereof.

(2) The official liquidator shall take part in the examination, and for that purpose may, if specially authorised by the Court in that behalf, employ such legal assistance as may be sanctioned by the Court.

(3) Any creditor or contributory may also take part in the examination either personally or by any person entitled to appear before the Court.

(4) The Court may put such questions to the person examined as the Court thinks fit.

(5) The person examined shall be examined on oath, and shall answer all such questions as the Court may put or allow to be put to him.

(6) A person ordered to be examined under this section may, at his own cost employ any person entitled to appear before the Court, who shall be at liberty to put to him such questions as the Court may deem just for the purpose of enabling him to explain or qualify any answers given by him: Provided that if he is, in the opinion of the Court, exculpated from any charges made or suggested against him, the Court may allow him such costs as in its discretion it may think fit.

(7) Notes of the examination shall be taken down in writing, and shall be read over to or by, and signed by, the person examined, and may thereafter be used in evidence against him in civil proceedings, and shall be open to the inspection of any creditor or contributory at all reasonable times.

(8) The Court may, if it thinks fit, adjourn the examination from time to time.

(9) An examination under this section may, if the Court so directs, and subject to any rules in this behalf, be held before any District Judge or before any officer of the High Court, being an official referee, registrar or deputy registrar, and the powers of the Court under this section as to the conduct of the examination, but not as to costs, may be exercised by the person before whom the examination is held.

Power to arrest absconding contributory.

197. The Court, at any time either before or after making a winding up order on proof of probable cause for believing that a contributory is about to quit Mysore or otherwise to abscond, or to remove or conceal any of his

property, for the purpose of evading payment of calls or of avoiding examination respecting the affairs of the company, may cause the contributory to be arrested and his books and papers and movable property to be seized, and him and them to be safely kept until such time as the Court may order.

198. Any powers by this Regulation conferred on the Court shall be in addition to, and not in restriction of, any existing powers of instituting proceedings against any contributory or debtor of the company, or the estate of any contributory or debtor, for the recovery of any call or other sums.

Saving of other proceedings.

ENFORCEMENT OF AND APPEAL FROM ORDERS.

199. All orders made by a Court under this Regulation may be enforced in the same manner in which decrees of such Court made in any suit pending therein may be enforced.

Power to enforce orders.

200. Any order made by a Court for or in the course of the winding up of a company shall be enforced in any place in Mysore other than that in which such Court is situate, by the Court that would have had jurisdiction in respect of such company if the registered office of the company had been situate at such other place, and in the same manner in all respects as if such order had been made by the Court that is hereby required to enforce the same.

Order made in any Court to be enforced by other Courts.

201. Where any order made by one Court is to be enforced by another Court, a certified copy of the order so made shall be produced to the proper officer of the Court required to enforce the same, and the production of such certified copy shall be sufficient evidence of such order having been made; and thereupon the last mentioned Court shall take the requisite steps in the matter for enforcing the order, in the same manner as if it were the order of the Court enforcing the same.

Mode of dealing with orders to be enforced by other Courts.

202. Re-hearings of, and appeals from, any order or decision made or given in the matter of the winding up of a company by the Court may be had in the same manner and subject to the same conditions in and subject to which appeals may be had from any order or decision of the same Court in cases within its ordinary jurisdiction.

Appeals from orders.

VOLUNTARY WINDING UP.

Circumstances in which company may be wound up voluntarily.

203. A company may be wound up voluntarily—

(1) when the period (if any) fixed for the duration of the company by the articles expires or, the event (if any) occurs, on the occurrence of which the articles provide that the company is to be dissolved and the company in general meeting has passed a resolution requiring the company to be wound up voluntarily:

(2) if the company resolves by special resolution that the company be wound up voluntarily;

(3) if the company resolves by extraordinary resolution to the effect that it cannot by reason of its liabilities continue its business, and that it is advisable to wind up and the expression 'resolution for voluntarily winding up' when used hereafter in this Part means a resolution passed under clause (1), clause (2) or clause (3) of this section.

Commencement of voluntary winding up.

204. A voluntary winding up shall be deemed to commence at the time of the passing of the resolution for voluntarily winding up.

Effect of voluntary winding up on status of company.

205. When a company is wound up voluntarily, the company shall, from the commencement of the winding up, cease to carry on its business, except so far as may be required for the beneficial winding up thereof:

Provided that the corporate state and corporate powers of the company shall, notwithstanding anything to the contrary in its articles, continue until it is dissolved.

Notice of resolution to wind up voluntarily.

206. (1) Notice of any special resolution or extraordinary resolution for winding up a company voluntarily shall be given by the company within ten days of the passing of the same by advertisement both in English and in Kannada in the official Gazette, and also in some newspaper (if any) circulating in the district where the registered office of the company is situate.

(2) If a company makes default in complying with the requirements of this section, it shall be liable to a fine not exceeding fifty rupees for every day during which the default continues; and every officer of the company who

knowingly and wilfully authorises or permits the default shall be liable to a like penalty.

207. (1) Where it is proposed to wind up a company voluntarily, the directors of the company or, in the case of a company having more than two directors, the majority of the directors may, at a meeting of the directors held before the date on which the notices of the meeting at which the resolution for the winding up of the company is to be proposed are sent out, to make a declaration verified by an affidavit to the effect that they have made a full inquiry into the affairs of the company, and that, having so done, they have formed the opinion that the company will be able to pay its debts in full within a period, not exceeding three years, from the commencement of the winding up. Declaration of solvency.

(2) Such declaration shall be supported by a report of the company's auditors on the company's affairs, and shall have no effect for the purposes of this Regulation unless it is delivered to the registrar for registration before the date mentioned in sub-section (1) of this section.

(3) A winding up in the case of which a declaration has been made and delivered in accordance with this section is in this Regulation referred to as a 'members' voluntary winding up,' and a winding up in the case of which a declaration has not been made and delivered as aforesaid is in this Regulation referred to as a 'creditors' voluntary winding up.'

Members' Voluntary Winding up.

208. The provisions contained in sections 208-A to 208-E, both inclusive, shall apply in relation to a member's voluntary winding up. Provisions applicable to a member's voluntary winding up.

208-A. (1) The company in general meeting shall appoint one or more liquidators for the purpose of winding up the affairs and distributing the assets of the company, and may fix the remuneration to be paid to him or them. Power of company to appoint and fix remuneration of liquidators.

(2) On the appointment of a liquidator all the powers of the directors shall cease, except so far as the company in general meeting, or the liquidator, sanctions the continuance thereof.

208-B. (1) If a vacancy occurs by death, resignation or otherwise in the office of the liquidator appointed by Power to fill vacancy in the office of liquidator.

the company, the company in general meeting may, subject to any arrangement with its creditors, fill the vacancy.

(2) For that purpose a general meeting may be convened by any contributory or, if there were more liquidators than one, by the continuing liquidators.

(3) The meeting shall be held in manner provided by this Regulation or by the articles, or in such manner may, as on application by any contributory or by the continuing liquidators, be determined by the Court.

Power of liquidator to accept shares, etc., as consideration for sale of property of company.

208-C. (1) Where a company is proposed to be, or is in course of being, wound up altogether voluntarily, and the whole or part of its business or property is proposed to be transferred or sold to another company, whether a company within the meaning of this Regulation or not (in this section called 'the transferee company'), the liquidator of the first-mentioned company (in this section called 'the transferor company') may, with the sanction of a special resolution of that company conferring either a general authority on the liquidator or an authority in respect of any particular arrangement, receive, in compensation or part compensation for the transfer or sale, shares, policies, or other like interests in the transferee company, for distribution among the members of the transferor company, or may enter into any other arrangement whereby the members of the transferor company may, in lieu of receiving cash, shares, policies, or other like interests or in addition thereto, participate in the profits of or receive any other benefit from the transferee company.

(2) Any sale or arrangement in pursuance of this section shall be binding on the members of the transferor company.

(3) If any member of the transferor company who did not vote in favour of the special resolution expresses his dissent therefrom in writing addressed to the liquidator and left at the registered office of the company within seven days after the passing of the special resolution, he may require the liquidator either to abstain from carrying the resolution into effect or to purchase his interest at a price to be determined by agreement or by arbitration in manner hereafter provided.

(4) If the liquidator elects to purchase the member's interest, the purchase money must be paid before the company is dissolved, and be raised by the liquidator in such manner as may be determined by special resolution.

(5) A special resolution shall not be invalid for the purposes of this section by reason that it is passed before or concurrently with a resolution for voluntary winding up or for appointing liquidators, but if an order is made within a year for winding up the company by or subject to the supervision of the Court, the special resolution shall not be valid unless sanctioned by the Court.

(6) The provisions of the Mysore Arbitration Regulation, 1917, other than those restricting the application of the Regulation in respect of the subject-matter of the arbitration, shall apply to all arbitrations in pursuance of this section.

Duty of liquidator to call general meeting at end of each year.

208-D. (1) In the event of the winding up continuing for more than one year, the liquidator shall summon a general meeting of the company at the end of the first year from the commencement of the winding up and of each succeeding year, or as soon thereafter as may be convenient within ninety days of the close of the year, and shall lay before the meeting an account of his acts and dealings and of the conduct of the winding up during the preceding year and a statement in the prescribed form containing the prescribed particulars with respect to the position of the liquidation.

(2) If the liquidator fails to comply with this section, he shall be liable to a fine not exceeding one hundred rupees.

Final meeting and dissolution.

208-E. (1) As soon as the affairs of the company are fully wound up, the liquidator shall make up an account of the winding up, showing how the winding up has been conducted and the property of the company has been disposed of, and thereupon shall call a general meeting of the company for the purpose of laying before it the account, and giving any explanation thereof.

(2) The meeting shall be called by advertisement specifying the time, place and object thereof, and published one month at least before the meeting in the manner specified in sub-section (1) of section 206 for publication of a notice under that sub-section.

(3) Within one week after the meeting, the liquidator shall send to the registrar a copy of the account, and shall make a return to him of the holding of the meeting and of its date, and if the copy is not sent or the return is not made in accordance with this sub-section, the liquidator shall be liable to a fine not exceeding fifty rupees for every day during which the default continues:

Provided that, if a quorum is not present at the meeting, the liquidator shall, in lieu of the said return, make a return that the meeting was duly summoned and that no quorum was present thereat, and upon such a return being made the provisions of this sub-section as to the making of the return shall be deemed to have been complied with.

(4) The registrar on receiving the account and either of the returns mentioned in sub-section (3) shall forthwith register them and on the expiration of three months from the registration of the return the company shall be deemed to be dissolved :

Provided that the Court may, on the application of the liquidator or of any other person who appears to the Court to be interested, make an order deferring the date at which the dissolution of the company is to take effect for such time as the Court thinks fit.

(5) It shall be the duty of the person on whose application an order of the Court under this section is made, within twenty-one days after the making of the order, to deliver to the registrar a certified copy of the order for registration, and if that person fails so to do he shall be liable to a fine not exceeding fity rupees for every day during which the default continues.

CREDITORS' VOLUNTARY WINDING UP.

Provisions applicable to a creditors' voluntary winding up.

209. The provisions contained in sections 209-A to 209-H, both inclusive, shall apply in relation to a creditors' voluntary winding up.

Meeting of creditors.

209-A. (1) The company shall cause a meeting of the creditors of the company to be summoned for the day, or the day next following the day, on which there is to be held the meeting at which the resolution for voluntary winding up is to be proposed, and shall cause the notices of the said meeting of creditors to be sent by post to the creditors simultaneously with the sending of the notices of the said meeting of the company.

(2) The company shall cause notice of the meeting of the creditors to be advertised in the manner specified in sub-section (1) of section 206 for the publication of a notice under that sub-section.

(3) The directors of the company shall—

(*a*) cause a full statement of the position of the company's affairs together with a list of the

creditors of the company and the estimated amount of their claims to be laid before the meeting of creditors to be held as aforesaid; and

(b) appoint one of their number to preside at the said meeting.

(4) It shall be the duty of the director appointed to preside at the meeting of creditors to attend the meeting and preside thereat.

(5) If the meeting of the company at which the resolution for voluntary winding up is to be proposed is adjourned and the resolution is passed at an adjourned meeting, any resolution passed at the meeting of the creditors, held in pursuance of sub-section (1) of this section, shall have effect as if it had been passed immediately after the passing of the resolution for winding up the company.

(6) If default is made—

(a) by the company in complying with sub-sections (1) and (2),

(b) by the directors of the company in complying with sub-section (3),

(c) by any director of the company in complying with sub-section (4),

the company, directors or director, as the case may be, shall be liable to a fine not exceeding one thousand rupees and, in the case of default by the company, every officer of the company who is in default shall be liable to the like penalty.

Appointment of liquidator.

209-B. The creditors and the company at their respective meetings mentioned in section 209-A may nominate a person to be liquidator for the purpose of winding up the affairs and distributing the assets of the company, and if the creditors and the company nominate different persons, the person nominated by the creditors shall be liquidator, and if no person is nominated by the creditors the person, if any, nominated by the company shall be liquidator:

Provided that in the case of different persons being nominated, any director, member or creditor of the company may, within seven days after the date on which the nomination was made by the creditors, apply to the Court for an order either directing that the person nominated as liquidator by the company shall be liquidator instead of

or jointly with the person nominated by the creditors, or appointing some other person to be liquidator instead of the person appointed by the creditors.

Appointmet of committee of inspection.

209-C. The creditors at the meeting to be held in pursuance of section 209-A or at any subsequent meeting may, if they think fit, appoint a committee of inspection consisting of not more than five persons, and if such a committee is appointed the company may, either at the meeting at which the resolution for voluntary winding up is passed or at any time subsequently in general meeting, appoint such number of persons as they think fit to act as members of the committee not exceeding five in number:

Provided that the creditors may, if they think fit, resolve that all or any of the persons so appointed by the company ought not to be members of the committee of inspection, and, if the creditors so resolve, the persons mentioned in the resolution shall not, unless the Court otherwise directs, be qualified to act as members of the committee, and on any application to the Court under this provision the Court may, if it thinks fit, appoint other persons to act as such members in place of the persons mentioned in the resolution.

Fixing of liquidators' remuneration and cesser of directors' powers.

209-D. (1) The committee of inspection, or if there is no such committee, the creditors, may fix the remuneration to be paid to the liquidator or liquidators, and where the remuneration is not so fixed, it shall be determined by the Court.

(2) On the appointment of a liquidator, all the powers of the directors shall cease, except so far as the committee of inspection, or if there is no such committee, the creditors, sanction the continuance thereof.

Power to fill vacancy in office of liquidator.

209-E. If a vacancy occurs, by death, resignation or otherwise, in the office of a liquidator, other than a liquidator appointed by, or by the direction of, the Court, the creditors may fill the vacancy.

Application of section 208-C to a creditors' voluntary winding up.

209-F. The provisions of section 208-C shall apply in the case of a creditors' voluntary winding up as in the case of a members' voluntary winding up with the modification that the powers of the liquidator under the said section shall not be exercised except with the sanction either of the Court or of the committee of inspection.

209-G. (1) In the event of the winding up continuing for more than one year, the liquidator shall summon a general meeting of the company and a meeting of creditors at the end of the first year from the commencement of the winding up, and of each succeeding year, or as soon thereafter as may be convenient, and shall lay before the meetings an account of his acts and dealings and of the conduct of the winding up during the preceding year and a statement in the prescribed form containing the prescribed particulars with respect to the position of the winding up.

Duty of liquidator to call meetings of company and of creditors at end of each year.

(2) If the liquidator fails to comply with this section, he shall be liable to a fine not exceeding one hundred rupees.

209-H. (1) As soon as the affairs of the company are fully wound up, the liquidator shall make up an account of the winding up showing how the winding up has been conducted and the property of the company has been disposed of, and thereupon shall call a general meeting of the company and a meeting of the creditors for the purpose of laying the account before the meetings and giving any explanation thereof.

Final meeting and dissolution.

(2) Each such meeting shall be called by advertisement specifying the time, place and object thereof and published one month at least before the meeting in the manner specified in sub-section (1) of section 206 for the publication of a notice under that sub-section.

(3) Within one week after the date of the meetings, or, if the meetings are not held on the same date, after the date of the later meeting, the liquidator shall send to the registrar a copy of the account, and shall make a return to him of the holding of the meetings and of their dates, and if the copy is not sent or the return is not made in accordance with this sub-section, the liquidator shall be liable to a fine not exceeding fifty rupees for every day during which the default continues:

Provided that, if a quorum (which for the purposes of this section shall be two persons) is not present at either such meeting, the liquidator shall, in lieu of such return, make a return that the meeting was duly summoned and that no quorum was present thereat, and upon such a return being made the provisions of this sub-section as to the making of the return shall, in respect of that meeting, be deemed to have been complied with.

(4) The registrar on receiving the account and in respect of each such meeting either of the returns mentioned in sub-section (3) shall forthwith register them, and on the expiration of three months from the registration thereof, the company shall be deemed to be dissolved:

Provided that the Court may, on the application of the liquidator or of any other person who appears to the Court to be interested, make an order deferring the date at which the dissolution of the company is to take effect, for such time as the Court thinks fit.

(5) It shall be the duty of the person on whose application an order of the Court under this section is made, within ten days after the making of the order, to deliver to the registrar a certified copy of the order for registration, and if that person fails to do so he shall be liable to a fine not exceeding fifty rupees for every day during which the default continues.

MEMBERS' OR CREDITORS' VOLUNTARY WINDING UP.

Provisions applicable to every voluntary winding up.

210. The provisions contained in sections 211 to 218, both inclusive, shall apply to every voluntary winding up whether a members' or a creditors' winding up.

Distribution of property of company.

211. Subject to the provisions of this Regulation as to preferential payments, the property of a company shall, on its winding up, be applied in satisfaction of its liabilities *pari passu* and, subject to such application, shall, unless the articles otherwise provide, be distributed among the members according to their rights and interests in the company.

Powers and duties of liquidator in voluntary winding up.

212. (1) The liquidator may—

(*a*) in the case of a members' voluntary winding up, with the sanction of an extraordinary resolution of the company, and in the case of a creditors' voluntary winding up, with the sanction of either the Court or the committee of inspection, exercise any of the powers given by clauses (*d*), (*e*), (*f*) and (*h*) of section 179 to a liquidator in a winding up. The exercise by the liquidator of the powers given by this clause shall be subject to the control of the Court and any creditor or contributory may apply to the Court with respect to any exercise or proposed exercise of any of these powers;

(*b*) without the sanction referred to in clause (*a*), exercise any of the other powers by this Regulation given to the liquidator in a winding up by the Court;

(*c*) exercise the power of the Court under this Regulation of settling a list of contributories, and the list of contributories shall be *prima facie* evidence of the liability of the persons named therein to be contributories;

(*d*) exercise the power of the Court of making call;

(*e*) summon general meetings of the company for the purpose of obtaining the sanction of the company by special or extraordinary resolution or for any other purpose he may think fit.

(2) The liquidator shall pay the debts of the company and shall adjust the rights of the contributories among themselves.

(3) When several liquidators are appointed, any power given by this Regulation may be exercised by such one or more of them as may be determined at the time of their appointment, or, in default of such determination, by any number not less than two.

Power of Court to appoint and remove liquidator in voluntary winding up.

213. (1) If from any cause whatever there is no liquidator acting, the Court may appoint a liquidator.

(2) The Court may, on cause shown, remove a liquidator and appoint another liquidator.

Notice by liquidator of his appointment.

214. (1) The liquidator shall, within twenty-one days after his appointment, deliver to the registrar for registration a notice of his appointment in the form prescribed.

(2) If the liquidator fails to comply with the requirements of this section, he shall be liable to a fine not exceeding fifty rupees for every day during which the default continues.

Arrangement when binding on creditors

215. (1) Any arrangement entered into between a company about to be, or in the course of being, wound up and its creditors shall, subject to the right of appeal under this section, be binding on the company if sanctioned by an extraordinary resolution, and on the creditors if acceded to by three-fourths in number and value of the creditors.

(2) Any creditor or contributory may, within three weeks from the completion of the arrangement, appeal to the Court against it; and the Court may thereupon, as it thinks just, amend, vary or confirm the arrangement.

Power to apply to Court to have questions determined of powers exercised.

216. (1) The liquidator or any contributory or creditor may apply to the Court to determine any question arising in the winding up of a company, or to exercise, as respects the enforcing of calls, staying of proceedings or any other matter, all or any of the powers which the Court might exercise if the company were being wound up by the Court.

(2) The liquidator or any creditor or contributory may apply for an order setting aside any attachment, distress or execution put into force against the estate or effects of the company after the commencement of the winding up.

Such application shall be made—

(*a*) if the attachment, distress or execution is levied or put into force by the High Court, to the High Court, and

(*b*) if the attachment, distress or execution is levied or put into force in any other Court, to the Court having jurisdiction to wind up the company.

(3) The Court, if satisfied that the determination of the question or the required exercise of power or the order applied for will be just and beneficial, may accede wholly or partially to the application on such terms and conditions as it thinks fit, or may make such other order on the application as it thinks just.

Cost of voluntary winding up.

217. All costs, charges and expenses properly incurred in the winding up, including the remuneration of the liquidator, shall, subject to the rights of secured creditors, if any, be payable out of the assets of the company in priority to all other claims.

Saving for rights of creditors and contributories.

218. The winding up of a company shall not bar the right of any creditor or contributory to have it wound up by the Court, but in the case of an application by a contributory, the Court must be satisfied that the rights of the contributories will be prejudiced by a voluntary winding up.

219. * * * *

Power of Court to adopt proceedings of voluntary winding up.

220. Where a company is being wound up voluntarily, and an order is made for winding up by the Court, the Court, may, if it thinks fit, by the same or any subsequent order, provide for the adoption of all or any of the proceedings in the voluntary winding up.

Winding up Subject to Supervision of Court.

221. When a company has by special or extraordinary resolution resolved to wind up voluntarily, the Court may make an order that the voluntary winding up shall continue, but subject to such supervision of the Court, and with such liberty for creditors, contributories or others to apply to the Court, and generally on such terms and conditions as the Court thinks just.

Power to order winding up subject to supervision.

222. A petition for the continuance of a voluntary winding up subject to the supervision of the Court shall, for the purpose of giving jurisdiction to the Court over suits, be deemed to be a petition for winding up by the Court.

Effect of petition for winding up subject to supervision.

223. The Court may, in deciding between a winding up by the Court and a winding up subject to supervision, in the appointment of liquidators, and in all other matters relating to the winding up subject to supervision, have regard to the wishes of the creditors or contributories as proved to it by any sufficient evidence.

Court may have regard to wishes of creditors and contributories.

224. (1) Where an order is made for a winding up subject to supervision, the Court may by the same or any subsequent order appoint any additional liquidator.

Power for Court to appoint or remove liquidators.

(2) A liquidator appointed by the Court under this section shall have the same powers, be subject to the same obligations, and in all respects stand in the same position as if he had been appointed by the company.

(3) The Court may remove any liquidator so appointed by the Court or any liquidator continued under the supervision order, and fill any vacancy occasioned by the removal, or by death or resignation.

225. (1) Where an order is made for a winding up subject to supervision, the liquidator may, subject to any restrictions imposed by the Court, exercise all his powers, without the sanction or intervention of the Court, in the same manner as if the company were being wound up altogether voluntarily.

Effect of supervision order.

(2) Except as provided in sub-section (1), and save for the purposes of section 196, any order made by the Court for a winding up subject to the supervision of the Court shall for all purposes, including the staying of suits and other proceedings, be deemed to be an order of the Court for winding up the company by the Court, and shall confer full authority on the Court to make calls, or to enforce calls made by the liquidators, and to exercise all

other powers which it might have exercised if an order had been made for winding up the company altogether by the Court.

(3) In the construction of the provisions whereby the Court is empowered to direct any act or thing to be done to or in favour of the official liquidator, the expression "official liquidator" shall be deemed to mean the liquidator conducting the winding up, subject to the supervision of the Court.

Appointment in certain cases of voluntary liquidators to office of official liquidators.

226. Where an order has been made for the winding up of a company subject to supervision, and an order is afterwards made for winding up by the Court, the Court may, by the last mentioned order or by any subsequent order, appoint the voluntary liquidators or any of them, either provisionally, or permanently and either with or without the addition of any other person to be official liquidator in the winding up by the Court.

Supplemental Provisions.

Avoidance of transfers, etc., after commencement of winding up.

227. (1) In the case of voluntary winding up, every transfer of shares, except transfers made to or with the sanction of the liquidator, and every alteration in the status of the members of the company made after the commencement of the winding up shall be void.

(2) In the case of a winding up by or subject to the supervision of the Court, every disposition of the property (including actionable claims) of the company, and every transfer of shares, or alteration in the status of its members, made after the commencement of the winding up shall, unless the Court otherwise orders, be void.

Debts of all descriptions to be proved.

228. In every winding up (subject in the case of insolvent companies to the application in accordance with the provisions of this Regulation of the law of insolvency) all debts payable on a contingency, and all claims against the company, present or future, certain or contingent, shall be admissible to proof against the company, a just estimate being made, so far as possible, of the value of such debts or claims as may be subject to any contingency or for some other reason do not bear a certain value.

Application of insolvency rules in winding up of insolvent companies.

229. In the winding up of an insolvent company, the same rules shall prevail and be observed with regard to the respective rights of secured and unsecured creditors and to debts provable and to the valuation of annuities and future and contingent liabilities as are in force for the

time being under the law of insolvency with respect to the estates of persons adjudged insolvent; and all persons who in any such case would be entitled to prove for and receive dividends out of the assets of the company may come in under the winding up, and make such claims against the company as they respectively are entitled to by virtue of this section.

230. (1) In a winding up there shall be paid in priority to all other debts— Preferential payments.

(*a*) all revenue, taxes, cesses and rates, whether payable to the Government or to a local authority, due from the company at the date hereinafter mentioned and having become due and payable within the twelve months next before that date;

(*b*) all wages or salary of any clerk or servant in respect of service rendered to the company within the two months next before the said date, not exceeding one thousand rupees for each clerk or servant;

(*c*) all wages of any labourer or workman, not exceeding five hundred rupees for each, whether payable for time or piecework, in respect of services rendered to the company within the two months next before the said date;

(*d*) compensation payable under the Workmen's Compensation Regulation, 1928 in respect of the death or disablement of any officer or employee of the company;

(*e*) all sums due to any employee from a provident fund, a pension fund, a gratuity fund or any other fund for the welfare of the employees maintained by the company; and

(*f*) the expenses of any investigation held in pursuance of clause (iv) of section 138 of this Regulation.

(2) The foregoing debts shall—

(*a*) rank equally among themselves and be paid in full, unless the assets are insufficient to meet them, in which case they shall abate in equal proportion; and

(*b*) so far as the assets of the company available for the payment of general creditors are insufficient to meet them, have priority over the

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claims of holders of debentures under any floating charge created by the company, and be paid accordingly out of any property comprised in or subject to that charge.

(3) Subject to the retention of such sums as may be necessary for the costs and expenses of the winding up, the foregoing debts shall be discharged forthwith so far as the assets are sufficient to meet them.

(4) In the event of a landlord or other person distraining or having distrained on any goods or effects of the company within three months next before the date of a winding up order, the debts to which priority is given by this section shall be a first charge on the goods or effects so distrained on, or the proceeds of the sale thereof:

Provided that in respect of any money paid under any such charge the landlord or other person shall have the same rights of priority as the person to whom the payment is made.

(5) The date hereinbefore in this section referred to is,—

(*a*) in the case of a company ordered to be wound up compulsorily which had not previously commenced to be wound up voluntarily, the date of the winding up order; and

(*b*) in any other case, the date of the commencement of the winding up.

Disclaimer of property.

230-A. (1) Where any part of the property of a company which is being wound up consists of land of any tenure burdened with onerous covenants, of shares or stock in companies, of unprofitable contracts or of any other property that is unsaleable, or not readily saleable, by reason of its binding the possessor thereof to the performance of any onerous act, or to the payment of any sum of money, the liquidator of the company, notwithstanding that he had endeavoured to sell or has taken possession of the property, or exercised any act of ownership in relation thereto, may, with the leave of the Court and subject to the provisions of this section, by writing signed by him, at any time within twelve months after the commencement of the winding up or such extended period as may be allowed by the Court, disclaim the property:

Provided that, where any such property has not come to the knowledge of the liquidator within one month after the commencement of the winding up, the power under this section of disclaiming the property may by exercised at any time within twelve months after he has become aware thereof or such extended period as may be allowed by the Court.

(2) The disclaimer shall operate to determine, as from the date of disclaimer, the rights, interest and liabilities of the company; and the property of the company, in or in respect of the property disclaimed but shall not, except so far as is necessary for the purpose of releasing the company and the property of the company from liability, affect the rights or liabilities of any other person.

(3) The Court, before or on granting leave to disclaim, may require such notices to be given to persons interested, and impose such terms as a condition of granting leave, and make such other order in the matter as the Court thinks just.

(4) The liquidator shall not be entitled to disclaim any property under this section in any case where an application in writing has been made to him by any persons interested in the property requiring him to decide whether he will or will not disclaim, and the liquidator has not, within a period of twenty-eight days after the receipt of the application or such further period as may be allowed by the Court, given notice to the applicant that he intends to apply to the Court for leave to disclaim, and in the case of a contract, if the liquidator, after such an application as aforesaid, does not within the said period or further period disclaim the contract, the company shall be deemed to have adopted it.

(5) The Court may, on the application of any person who is, as against the liquidator, entitled to the benefit or subject to the burden of a contract made with the company, make an order rescinding the contract on such terms as to payment by or to either party of damages for the non-performance of the contract, or otherwise as the Court thinks just, and any damages payable under the order to any such person may be proved by him as a debt in the winding up.

(6) The Court may, on an application by any person who either claims any interest in any disclaimed property or is under any liability not discharged by this

Regulation in respect of any disclaimed property and on hearing any such persons as it thinks fit, make an order for the vesting of the property in or the delivery of the property to any persons entitled thereto, or to whom it may seem just that the property should be delivered by way of compensation for such liability as aforesaid, or a trustee for him, and on such terms as the Court thinks just, and on any such vesting order being made, the property comprised therein shall vest accordingly in the person therein named in that behalf without any conveyance or assignment for the purpose:

Provided that, where the property disclaimed is of a leasehold nature, the Court shall not make a vesting order in favour of any person claiming under the company whether as under-lessee or as mortgagee except upon the terms of making that person—

(*a*) subject to the same liabilities and obligations as those to which the company was subject under the lease in respect of the property at the commencement of the winding up; or

(*b*) if the Court thinks fit, subject only to the same liabilities and obligations as if the lease had been assigned to that person at that date;

and in either event (if the case so requires) as if the lease had comprised only the property comprised in the vesting order, and any mortgagee or under-lessee declining to accept a vesting order upon such terms shall be excluded from all interest in and security upon the property, and, if there is no person claiming under the company who is willing to accept an order upon such terms, the Court shall have power to vest the estate and interest of the company in the property in any person liable, either personally or in a representative character, and either alone or jointly with the company, to perform the lessee's covenants in the lease, freed and discharged from all estates, incumbrances and interests created therein by the company.

(7) Any person injured by the operation of a disclaimer under this section shall be deemed to be a creditor of the company to the amount of the injury, and may accordingly prove the amount as a debt in the winding up.

Fraudulent preference

231. (1) Any transfer, delivery of goods, payment, execution or other act relating to property which would, if made or done by or against an individual, be deemed in

his insolvency a fraudulent preference, shall, if made or done by or against a company, be deemed, in the event of its being wound up, a fraudulent preference of its creditors, and be invalid accordingly.

(2) For the purposes of this section, the presentation of a petition for winding up in the case of a winding up by or subject to the supervision of the Court, and a resolution for winding up, in the case of a voluntary winding up, shall be deemed to correspond with the act of insolvency in the case of an individual.

(3) Any transfer or assignment by a company of all its property to trustees for the benefit of all its creditors shall be void.

Avoidance of certain attachments, executions, etc.

232. (1) Where any company is being wound up by or subject to the supervision of the Court, any attachment, distress or execution put in force without leave of the Court against the estate or effects or any sale held without leave of the Court of any of the properties of the company after the commencement of the winding up shall be void.

(2) Nothing in this section applies to proceedings by the Government.

Effect of floating charge.

233. Where a company is being wound up, a floating charge on the undertaking or property of the company created within three months of the commencement of the winding up shall, unless it is proved that the company immediately after the creation of the charge was solvent, be invalid except to the amount of any cash paid to the company at the time of, or subsequently to the creation of, and in consideration for, the charge, together with interest on that amount at the rate of five per cent per annum.

General scheme of liquidation may be sanctioned.

234. (1) The liquidator may, with the sanction of the Court when the company is being wound up by the Court or subject to the supervision of the Court, and with the sanction of an extraordinary resolution of the company in the case of a voluntary winding up, do the following things or any of them :—

(i) pay any classes of creditors in full ;

(ii) make any compromise or arrangement with creditors or persons claiming to be creditors or having or alleging themselves to have any claim present or future, whereby the company may be rendered liable ;

(iii) compromise all calls and liabilities to calls, debts and liabilities capable of resulting in debts, and all claims, present or future, certain or contingent subsisting or supposed to subsist between the company and a contributory or alleged contributory or other debtor or person apprehending liability to the company, and all questions in any way relating to or affecting the assets or the winding up of the company, on such terms as may be agreed, and take any security for the discharge of any such call, debt, liability or claim, and give a complete discharge in respect thereof.

(2) The exercise by the liquidator of the powers of this section shall be subject to the control of the Court, and any creditor or contributory may apply to the Court with respect to any exercise or proposed exercise of any of these powers.

Power of court to assess damages against delinquent directors, etc.

235. (1) Where, in the course of winding up a company, it appears that any person who has taken part in the formation or promotion of the company, or any past or present director, manager or liquidator, or any officer of the company has misapplied or retained or become liable or accountable for any money or property of the company, or been guilty of any misfeasance or breach of trust in relation to the company, the Court may, on the application of the liquidator, or of any creditor or contributory, made within three years from the date of the first appointment of a liquidator in the winding up or of the misapplication, retainer, misfeasance or breach of trust, as the case may be, whichever is longer, examine into the conduct of the promoter, director, manager, liquidator or officer, and compel him to repay or restore the money or property or any part thereof respectively with interest at such rate as the Court thinks just, or to contribute such sum to the assets of the company by way of compensation in respect of the misapplication, retainer, misfeasance or breach of trust as the Court thinks just.

(2) This section shall apply notwithstanding that the offence is one for which the offender may be criminally responsible.

(3) Nothing contained in sub-section (1) shall operate to extend the period of limitation in respect of any application which was already barred by limitation at the commencement of the Mysore Companies Regulation, 1938.

Penalty for falsification of books.

236. If any director, manager, officer or contributory of any company being wound up destroys, mutilates, alters or falsifies or fraudulently secretes any books, papers or securities, or makes, or is privy to the making of any false or fraudulent entry in any register, book of account or document belonging to the company with intent to defraud or deceive any person, he shall be liable to imprisonment for a term which may extend to seven years, and shall also be liable to fine.

Prosecution of delinquent directors.

237. (1) If it appears to the Court in the course of a winding up by, or subject to the supervision of, the Court that any past or present director, manager or other officer, or any member, of the company has been guilty of any offence in relation to the company for which he is criminally liable, the Court may, either on the application of any person interested in the winding up or of its own motion, direct the liquidator either himself to prosecute the offender or to refer the matter to the registrar.

(2) If it appears to the liquidator in the course of a voluntary winding up that any past or present director, manager or other officer, or any member of the company has been guilty of any offence in relation to the company for which he is criminally liable, he shall forthwith report the matter to the registrar and shall furnish to him such information and give to him such access to and facilities for inspecting and taking copies of any documents, being information or documents in the possession or under the control of the liquidator relating to the matter in question, as he may require.

(3) Where any report is made under sub-section (2) to the registrar, he may, if he thinks fit, refer the matter to the Government for further inquiry, and the Government shall thereupon investigate the matter and may, if they think it expedient, apply to the Court for an order conferring on any person designated by the Government for the purpose with respect to the company concerned all such powers of investigating the affairs of the company as are provided by this Regulation in the case of a winding up by the Court.

(4) If on any report to the registrar under sub-section (2) it appears to him that the case is not one in which proceedings ought to be taken by him, he shall inform the liquidator accordingly, and thereupon, subject to the previous sanction of the Court, the liquidator may himself take proceedings against the offender.

(5) If it appears to the Court in the course of a voluntary winding up that any past or present director, manager or other officer, or any member, of the company has been guilty as aforesaid, and that no report with respect to the matter has been made by the liquidator to the registrar, the Court may, on the application of any person interested in the winding up or of its own motion, direct the liquidator to make such a report, and on a report being made accordingly, the provisions of this section shall have effect as though the report has been made in pursuance of the provisions of sub-section (2).

(6) If, where any matter is reported or referred to the registrar under this section, he considers that the case is one in which a prosecution ought to be instituted, he shall place the papers before the Government Advocate or any other officer duly authorised by the Government in this behalf and if advised to do so institute proceedings:

Provided that no prosecution shall be undertaken without first giving the accused person an opportunity of making a statement in writing to the registrar and of being heard thereon.

(7) When any proceedings are instituted under this section it shall be the duty of the liquidator and of every officer and agent of the Company past and present (other than the defendant in the proceedings) to give all assistance in connection with the prosecution which he is reasonably able to give and for the purposes of this sub-section the expression 'agent' in relation to a Company shall be deemed to include any banker or legal adviser of the Company and any person employed by the Company as auditor whether that person is or is not an officer of the Company; and

(8) If any person fails or neglects to give assistance in manner required by sub-section (7), the Court may, on the application of the registrar, direct that person to comply with the requirements of the said sub-section, and where any such application is made with respect to a liquidator, the Court may, unless it appears that the failure or neglect to comply was due to the liquidator not having in his hands sufficient assets of the company to enable him so to do, direct that the

costs of the application shall be borne by the liquidator personally.

238. If any person, upon any examination upon oath authorised under this regulation, or in any affidavit, deposition or solemn affirmation, in or about the winding up of any company under this Regulation, or otherwise in or about any matter arising under this Regulation intentionally gives false evidence, he shall be liable to imprisonment for a term which may extend to seven years, and shall also be liable to fine. Penalty for false evidence.

238-A. (1) If any person, being a past or present director, managing agent, manager or other officer of a company which at the time of the commission of the alleged offence is being wound up, whether by or under the supervision of the Court or voluntarily, or is subsequently ordered to be wound up by the Court or subsequently passes a resolution for voluntary winding up— Penal provisions.

(*a*) does not to the best of his knowledge and belief fully and truly discover to the liquidator all the property, real and personal, of the company, and how and to whom and for what consideration and when the company disposed of any part thereof, except such part as has been disposed of in the ordinary way of the business of the company; or

(*b*) does not deliver up to the liquidator, or as he directs, all such part of the real and personal property of the company as is in his custody or under his control, and which he is required by law to deliver up; or

(*c*) does not deliver up to the liquidator, or as he directs, all books and papers in his custody or under his control belonging to the company and which he is required by law to deliver up; or

(*d*) within twelve months next before the commencement of the winding up or at any time thereafter conceals any part of the property of the company to the value of one hundred rupees or upwards or conceals any debt due to or from the company; or

(*e*) within twelve months next before the commencement of the winding up or at any time thereafter fraudulently removes any part of the property of the company to the value of one hundred rupees or upwards; or

(*f*) makes any material omission in any statement relating to the affairs of the company; or

(*g*) knowing or believing that a false debt has been proved by any person under the winding up, fails for the period of a month to inform the liquidator thereof; or

(*h*) after the commencement of the winding up prevents the production of any book or paper affecting or relating to the property or affairs of the company; or

(*i*) within twelve months next before the commencement of the winding up or at any time thereafter, conceals, destroys, mutilates or falsifies, or is privy to the concealment, destruction, mutilation or falsification of any book or paper affecting or relating to the property or affairs of the company; or

(*j*) within twelve months next before the commencement of the winding up or at any time thereafter makes or is privy to the making of any false entry in any book or paper affecting or relating to the property or affairs of the company; or

(*k*) within twelve months next before the commencement of the winding up or at any time thereafter fraudulently parts with, alters or makes any omission in, or is privy to the fraudulent parting with, altering or making any omission in, any document affecting or relating to the property or affairs of the company; or

(*l*) after the commencement of the winding up or at any meeting of the creditors of the company within twelve monthsnext before the commencement of the winding up, attempts to account for any part of the property of the company by fictitious losses or expenses; or

(*m*) has within twelve months next before the commencement of the winding up or at any time thereafter, by any false representation or other fraud, obtained any property for or on behalf of the company on credit which the company does not subsequently pay for; or

(*n*) within twelve months next before the commencement of the winding up or at any time thereafter, under the false pretence that the company is carrying on its business, obtains on credit, for or on behalf of the company, any property which the company does not subsequently pay for; or

(*o*) within twelve months next before the commencement of the winding up or at any time thereafter pawns, pledges or disposes of any property of the company which has been obtaind on credit and has not been paid for, unless such pawning, pledging or disposing is in the ordinary way of the business of the company; or

(*p*) is guilty of any false representation or other fraud for the purpose of obtaining the consent of the creditors of the company or any of them to an agreement with reference to the affairs of the company or to the winding up;

he shall be punishable, in the case of the offences mentioned respectively in clauses (*m*), (*n*) and (*o*) of this sub-section, with imprisonment for a term not exceeding five years, and, in the case of any other offence, with imprisonment for a term not exceeding two years:

Provided that it shall be a good defence to a charge under any of clauses (*b*), (*c*), (*d*), (*f*), (*n*) and (*o*), if the accused proves that he had no intent to defraud, and to a charge under any of clauses (*a*), (*h*), (*i*) and (*j*), if he proves that he had no intent to conceal the state of affairs of the company or to defeat the law.

(2) Where any person pawns, pledges or disposes of any property in circumstances which amount to an offence under clause (*o*) of sub-section (1), every person who takes in pawn or pledge or otherwise receives the property knowing it to be pawned, pledged or disposed of in such circumstances as aforesaid, shall be punishable with imprisonment for a term not exceeding three years.

Meetings to ascertain wishes of creditors or contributories.

239. (1) Where by this Regulation the Court is authorised in relation to winding up to have regard to the wishes of creditors or contributories, as proved to it by any sufficient evidence, the Court may, if it thinks fit for the purpose of ascertaining those wishes, direct meetings of the creditors or contributories to be called, held and conducted in such manner as the Court directs, and may appoint a person to act as chairman of any such meeting and to report the result thereof to the Court.

(2) In the case of creditors, regard shall be had to the value of each creditor's debt.

(3) In the case of contributories, regard shall be had to the number of votes conferred on each contributory by the articles.

Documents of company to be evidence.

240. Where any company is being wound up, all documents of the company and of the liquidator shall, as between the contributories of the company, be *prima facie* evidence of the truth of all matters purporting to be therein recorded.

Inspection of documents.

241. After an order for a winding up by or subject to the supervision of the Court, the Court may make such

order for inspection by creditors and contributories of the company of its documents as the Court thinks just, and any documents in the possession of the company may be inspected by creditors or contributories accordingly, but not further or otherwise.

Disposal of documents of company

242. (1) When a company has been wound up and is about to be dissolved, the documents of the company and of the liquidators may be disposed of as follows (that is to say):—

(*a*) in the case of a winding up by or subject to the supervision of the Court, in such way as the Court directs;

(*b*) in the case of a voluntary winding up, in such way as the company by extraordinary resolution directs.

(2) After three years from the dissolution of the company, no responsibility shall rest on the company or the liquidators, or any person to whom the custody of the documents has been committed, by reason of the same not being forthcoming to any person claiming to be interested therein.

Power of Court to declare dissolution of company void

243. (1) Where a company has been dissolved, the Court may, at any time within two years of the date of the dissolution, on an application being made for the purpose by the liquidator of the company or by any other person who appears to the Court to be interested, make an order, upon such terms as the Court thinks fit, declaring the dissolution to have been void, and thereupon such proceedings may be taken as might have been taken if the company had not been dissolved.

(2) It shall be the duty of the person on whose application the order was made, within twenty-one days after the making of the order, to file with the registrar a certified copy of the order, and if that person fails so to do, he shall be liable to a fine not exceeding fifty rupees for every day during which the default continues.

Information as to pending liquidations.

244. (1) Where a company is being wound up, if the winding up is not concluded within one year after its commencement, the liquidator shall, once in each year and at intervals of not more than twelve months, until the winding up is concluded, file in Court or with the registrar, as the case may be, a statement in the prescribed form and containing the prescribed particulars

with respect to the proceedings in and position of the liquidation.

(2) Any person stating himself in writing to be a creditor or contributory of the company shall be entitled, by himself or by his agent, at all reasonable times on payment of the prescribed fee, to inspect the statement, and to receive a copy thereof or extract therefrom; but any person untruthfully so stating himself to be a creditor or contributory shall be deemed to be guilty of an offence under section 182 of the Indian Penal Code, and shall be punishable accordingly on the application of the liquidator.

(3) If a liquidator fails to comply with the requirements of this section, he shall be liable to a fine not exceeding five hundred rupees for each day during which the default continues.

(4) When the statement is filed in Court a copy shall simultaneously be filed with the registrar and shall be kept by him along with the other records of the company.

Payment by liquidator into bank.

244-A. (1) Every liquidator of a company which is being wound up by the Court shall, in such manner and at such times as may be prescribed, pay the money received by him into a bank approved by Government:

Provided that if the Court is satisfied that for the purpose of carrying on the business of the company or of obtaining advances or for any other reason it is for the advantage of the creditors or contributories that the liquidator should have an account with any other bank, the Court may authorise the liquidator to make his payments into or out of such other bank as the Court may select and thereupon those payments shall be made in the prescribed manner.

(2) If any such liquidator at any time retains for more than ten days a sum exceeding five hundred rupees or such other amount as the Court may in any particular case authorise him to retain, then, unless he explains the retention to the satisfaction of the Court, he shall pay interest on the amount so retained in excess at the rate of twenty per cent per annum and shall ba liable to disallowance of all or such part of his remuneration as the Court may think just and to be removed from his office by the Court and shall be liable to pay any expenses occasioned by reason of his default.

(3) A liquidator of a company which is being wound up shall open a special banking account and pay all sums received by him as liquidator into such account.

Court or person before whom affidavit may be sworn.

245. (1) Any affidavit required to be sworn under the provisions or for the purposes of this Part may be sworn in Mysore before any Court, Judge or person lawfully authorised to take and receive affidavits, or elsewhere before any Court or authority before whom a similar affidavit may be validly sworn.

(2) All Courts, Judges, Justices, Commissioners, and persons acting judicially in Mysore shall take judicial notice of the seal or stamp or signature (as the case may be) of any such Court, Judge, person, or authority, attached, appended or subscribed to any such affidavit or to any other document to be used for the purposes of this Part.

RULES.

Power of High Court to make rules.

246. (1) The High Court may, from time to time, make rules consistent with this Regulation and with the Code of Civil Procedure, 1911, concerning the mode of proceedings to be had for winding up a company in such Court and in the Courts subordinate thereto, and for voluntary winding up (both members and creditors), for the holding of meetings of creditors and members in connection with proceedings under section 153 of this Regulation, and for giving effect to the provisions hereinbefore contained as to the reduction of the capital and the sub-division of the shares of a company and generally for all applications to be made to the Court under the provisions of this Regulation, and shall make rules providing for all matters relating to the winding up of companies which by this Regulation are to be prescribed.

(2) Without prejudice to the generality of the foregoing power, the High Court may by such rules enable or require all or any of the powers and duties conferred and imposed on the Court by this Regulation, in respect of the matters following, to be exercised or performed by the official liquidator, and subject to the control of the Court, that is to say, the powers and duties of the Court in respect of,—

(*a*) holding and conducting meetings to ascertain the wishes of creditors and contributories;

(*b*) settling lists of contributories and rectifying the register of members where required, and collecting and applying the assets;

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(c) requiring delivery of property or documents to the liquidator;

(d) making calls;

(e) fixing a time within which debts and claims must be proved:

Provided that the official liquidator shall not, without the special leave of the Court, rectify the register of members, and shall not make any call without the special leave of the Court.

REMOVAL OF DEFUNCT COMPANIES FROM REGISTER.

Registrar may strike defunct company off register.

247. (1) Where the registrar has reasonable cause to believe that a company is not carrying on business or in operation, he shall send to the company by post a letter inquiring whether the company is carrying on business or in operation.

(2) If the registrar does not within one month of sending the letter receive any answer thereto, he shall within fourteen days after the expiration of the month send to the company by post a registered letter referring to the first letter, and stating that no answer thereto has been received and that, if an answer is not received to the second letter within one month from the date thereof, a notice will be published in the official Gazette with a view to striking the name of the company off the register.

(3) If the registrar either receives an answer from the company to the effect that it is not carrying on business or in operation, or does not within one month after sending the second letter receive any answer, he may publish in the official Gazette, and send to the company by post a notice that, at the expiration of three months from the date of that notice, the name of the company mentioned therein will, unless cause is shown to the contrary, be struck off the register and the company will be dissolved.

(4) If, in any case where a company is being wound up, the registrar has reasonable cause to believe either that no liquidator is acting or that the affairs of the company are fully wound up, and the returns required to be made by the liquidator have not been made for a period of six consecutive months after notice by the registrar demanding the returns has been sent by post to the company, or to the liquidator at his last known place of business, the registrar may publish in the official Gazette and

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send to the company a like notice as is provided in the last preceding sub-section.

(5) At the expiration of the time mentioned in the notice, the registrar may unless cause to the contrary is previously shown by the company, strike its name off the register, and shall publish notice thereof in the official Gazette, and, on the publication in the official Gazette of this notice, the company shall be dissolved: provided that the liability (if any) of every director and member of the company shall continue and may be enforced as if the company had not been dissolved.

(6) If a company or any member or creditor thereof feels aggrieved by the company having been struck off the register, the Court, on the application of the company or member or creditor, may, if satisfied that the company was at the time of the striking off carrying on business or in operation, or otherwise that it is just that the company be restored to the register, order the name of the company to be restored to the register, and thereupon the company shall be deemed to have continued in existence as if its name had not been struck off; and the Court may by the order give such directions and make such provisions as seem just for placing the company and all other persons in the same position as nearly as may be as if the name of the company had not been struck off.

(7) A letter or notice under this section may be addressed to the company at its registered office, or, if no office has been registered, to the care of some director, manager or other officer of the company, or if there is no director, manager or other officer of the company whose name and address are known to the registrar, may be sent to each of the persons who subscribed the memorandum, addressed to him at the address mentioned in the memorandum.

PART VI.

Registration Office and Fees.

Registration Offices.

248. (1) The Government may appoint such registrars and assistant registrars as it thinks necessary for the registration of companies under this Regulation, and may make rules with respect to their duties.

(2) The Government may direct a seal or seals to be prepared for the authentication of documents required for or connected with the registration of companies.

(3) Any person may inspect the documents kept by the registrar on payment of such fees as may be appointed by the Government, not exceeding one rupee for each inspection; and any person may require a certificate of the incorporation of any company, or a copy or extract of any other document or any part of any other document, to be certified by the registrar on payment for the certificate, certified copy or extract, of such fees as the Government may appoint, not exceeding three rupees for a certificate of incorporation, and not exceeding six annas for every hundred words or fractional part thereof required to be copied.

(4) Whenever any act is by this Regulation directed to be done to or by the registrar it shall, until the Government otherwise directs, be done to or by the existing registrar of joint-stock companies or in his absence to or by such person as the Government may for the time being authorise; but, in the event of the Government altering the constitution of the existing registry offices, or any of them, any such act shall be done to or by such officer and at such place with reference to the local situation of the registered offices of the companies to be registered as the Government may appoint.

Fees.

249. (1) There shall be paid to the registrar in respect of the several matters mentioned in Table B in the First Schedule the several fees therein specified, or such smaller fees as the Government may direct.

(2) All fees paid to the registrar in pursuance of this Regulation shall be credited to the Government.

Enforcing submission of returns and documents to Registrar.

249-A. (1) If a company, having made default in complying with any provision of this Regulation which requires it to file with, deliver or send to the registrar any return, account or other document, or to give notice to him of any matter, fails to make good the default within fourteen days after the service of a notice on the company requiring it to do so, the Court may, on an application made to the Court by any member or creditor of the company or by the registrar, make an order directing the company and any officer thereof to make good the default within such time as may be specified in the order.

(2) Any such order may provide that all costs of and incidental to the application shall be borne by the company or by any officers of the company responsible for the default.

(3) Nothing in this section shall be taken to prejudice the operation of any enactment imposing penalties on a company or its officers in respect of any such default as aforesaid.

PART VII.

Application of Regulation to Companies formed and registered under former Companies Act and Regulation.

Application of Regulation to companies formed under former Companies Act and Regulations.

250. In the application of this Regulation to existing companies, it shall apply in the same manner in the case of a limited company, other than a company limited by guarantee, as if the company had been formed and registered under this Regulation as a company limited by shares; in the case of a company limited by guarantee, as if the company had been formed and registered under this Regulation as a company limited by guarantee: and in the case of a company other than a limited company, as if the company had been formed and registered under this Regulation as an unlimited company:

Provided that—

(1) nothing in Table A in the First Schedule shall apply to a company formed and registered under the Indian Companies Act, 1866, or the Mysore Companies Regulation, 1895 or the Mysore Companies Regulation, 1917;

(2) reference, express or implied, to the date of registration shall be construed as a reference to the date at which the company was registered under the Indian Companies Act, 1866, or the Mysore Companies Regulation, 1895, or the Mysore Companies Regulation, 1917, as the case may be.

Application of Regulation to companies registered but not formed under former Companies Act and Regulations.

251. This Regulation shall apply to every company registered but not formed under the Indian Companies Act, 1866, or the Mysore Companies Regulation, 1895, or the Mysore Companies Regulation, 1917, in the same manner as it is hereinafter in this Regulation declared to apply to companies registered but not formed under this Regulation:

Provided that reference, express or implied, to the date of registration shall be construed as a reference to the date at which the company was registered under the said Act or Regulations.

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PART VIII.

Companies Authorised to Register under this Regulation.

Companies capable of being registered.

253. (1) With the exceptions and subject to the provisions mentioned and contained in this section—

any company consisting of seven or more members, which was in existence on the first day of November eighteen hundred and ninety-five may at any time register under this Regulation as an unlimited company or as a company limited by shares, or as a company limited by guarantee; and the registration shall not be invalid by reason that it has taken place with a view to the company being wound up:

(2) Provided as follows:—

(*a*) a company that is not a joint-stock company as hereinafter defined shall not register in pursuance of this section as a company limited by shares;

(*b*) a company shall not register in pursuance of this section without the assent of a majority of such of its members as are present in person or by proxy (in cases where proxies are allowed by the articles) at a general meeting summoned for the purpose;

(*c*) where a company is about to register as a company limited by guarantee, the assent to its being so registered shall be accompanied by a resolution declaring that each member undertakes to contribute to the assets of the company, in the event of its being wound up while he is a member, or within one year afterwards, for payment of the debts and liabilities of the company contracted before he ceased to be a member, and of the costs and expenses of winding up, and for the adjustment of the rights of the contributories among themselves such amount as may be required not exceeding a specified amount.

(3) In computing any majority under this section when a poll is demanded, regard shall be had to the number of votes to which each member is entitled according to the articles.

(4) A company registered under the Mysore Companies Regulation, 1895, shall not be registered in pursuance of this section.

Definition of "joint-stock company."

254. For the purposes of this Part as far as relates to registration of companies as companies limited by shares, a joint-stock company means a company having a permanent paid-up or nominal share capital of fixed amount divided into shares, also of fixed amount or held and transferable as stock, or divided and held partly in one way and partly in the other, and formed on the principle of having for its members the holders of those shares or that stock, and no other persons; and such a company, when registered with limited liability under this Regulation, shall be deemed to be a company limited by shares.

Requirements for registration by joint-stock companies.

255. Before the registration in pursuance of this Part of a joint-stock company, there shall be delivered to the registrar the following documents (that is to say):—

(1) a list showing the names, addresses and occupations of all persons who on a day named in the list, not being more than six clear days before the day of registration, were members of the company, with the addition of the shares or stock held by them respectively, distinguishing, in cases where the shares are numbered, each share by its number;

(2) a copy of any deed of settlement, contract of co-partnery or other instrument constituting or regulating the company; and

(3) if the company is intended to be registered as a limited company, a statement specifying the following particulars (that is to say):—

(*a*) the nominal share capital of the company and the number of shares into which it is divided or the amount of stock of which it consists;

(*b*) the number of shares taken and the amount paid on each share;

(*c*) the name of the company, with the addition of the word "Limited" as the last word thereof; and

(*d*) in the case of a company intended to be registered as a company limited by guarantee, the resolution declaring the amount of the guarantee.

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256. Before the registration in pursuance of this Part of any company not being a joint-stock company, there shall be delivered to the registrar—

Requirements for registration by other than joint-stock companies.

(1) a list showing the names, addresses and occupations of the directors of the company; and

(2) a copy of any deed of settlement, contract of co-partnery or other instrument constituting or regulating the company; and

(3) in the case of company intended to be registered as a company limited by guarantee, a copy of the resolution declaring the amount of the guarantee.

257. The lists of members and directors and any other particulars relating to the company required to be delivered to the registrar shall be duly verified by a declaration of any two or more directors or other principal officers of the company.

Authentication of statement of existing companies.

258. The registrar may require such evidence as he thinks necessary for the purpose of satisfying himself whether any company proposing to be registered is or is not a joint-stock company as hereinbefore defined.

Registrar may require evidence as to nature of company.

259. (1) Where a banking company, which was in existence on the first day of November eighteen hundred and ninety-five, proposes to register as a limited company it shall, at least thirty days before so registering, give notice of its intention so to register to every person who has a banking account with the company, either by delivery of the notice to him, or by posting it to him at, or delivering it at, his last known address.

On registration of banking company with limited liability notice to be given to customers.

(2) If the company omits to give the notice required by this section, then as between the company and the person for the time being interested in the account in respect of which the notice ought to have been given and so far as respects the account down to the time at which the notice is given, but not further or otherwise, the certificate of registration with limited liability shall have no operation.

260. No fees shall be charged in respect of the registration in pursuance of this part of a company, if it is not registered as a limited company.

Exemption of certain companies from payment of fees.

261. When a company registers in pursuance of this Part with limited liability, the word "Limited" shall form and be registered as part of its name.

Addition of "Limited" to name.

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Certificate of registration of existing companies.

262. On compliance with the requirements of this Part with respect to registration, and on payment of such fees, if any, as are payable under B in the First Schedule, the registrar shall certify under his hand that the company applying for registration is incorporated as a company under this Regulation, and in the case of a limited company that it is limited, and thereupon the company shall be incorporated, and shall have perpetual succession and a common seal.

Vesting of property on registration.

263. All property, movable and immovable, including all interests and rights in, to and out of property, movable and immovable, and including obligations and actionable claims as may belong to or be vested in a company at the date of its registration in pursuance of this Part, shall, on registration, pass to and vest in the company as incorporated under this Regulation for all the estate and interest of the company therein.

Saving of existing liabilities.

264. The registration of a company in pursuance of this Part shall not affect the rights or liabilities of the company in respect of any debt or obligation incurred or any contract entered into, by, to, with, or on behalf of, the company before registration.

Continuation of existing suits.

265. All suits and other legal proceedings which at the time of the registration of a company in pursuance of this Part are pending by or against the company, or the public officer or any member thereof, may be continued in the same manner as if the registration had not taken place; nevertheless execution shall not issue against the effects of any individual member of the company on any decree or order obtained in any such suit or proceeding; but in the event of the property and effects of the company being insufficient to satisfy the decree or order, an order may be obtained for winding up the company.

Effect of registration under Regulation.

266. When a company is registered in pursuance of this Part—

(*i*) all provisions contained in any deed of settlement, contract of co-partnery, or other instrument constituting or regulating the company, including, in the case of a company, registered as a company limited by guarantee, resolution declaring the amount of the guarantee, shall be deemed to be conditions and regulations of the company in the same manner and with the same incidents as if so much thereof as would, if the company had been formed under this Regulation, have been required to

be inserted in the memorandum, were contained in a registered memorandum, and the residue thereof were contained in registered articles;

(*ii*) all the provisions of this Regulation shall apply to the company and the members, contributories and creditors thereof, in the same manner in all respects as if it had been formed under this Regulation, subject as follows (that is to say):—

(*a*) the regulations in Table A in the First Schedule shall not apply unless adopted by special resolution;

(*b*) the provisions of this Regulation relating to the numbering of shares shall not apply to any joint-stock company whose shares are not numbered;

(*c*) in the event of the company being wound up, every person shall be a contributory, in respect of the debts and liabilities of the company contracted before registration, who is liable to pay or contribute to the payment of any debt or liability of the company contracted before registration, or to pay or contribute to the payment of any sum for the adjustment of the rights of the members among themselves in respect of any such debt or liability; or to pay or contribute to the payment of the costs and expenses of winding up the company so far as relates to such debts or liabilities as aforesaid; and every contributory shall be liable to contribute to the assets of the company, in the course of the winding up, all sums due from him in respect of any such liability as aforesaid; and in the event of the death or insolvency of any contributory, the provisions of this Regulation with respect to the legal representatives and heirs of deceased contributories, and with reference to the assignees of insolvent contributories, shall apply;

(*iii*) the provisions of this Regulation with respect to—

(*a*) the registration of an unlimited company as limited;

(*b*) the powers of an unlimited company on registration as a limited company to increase the nominal amount of its share capital and

to provide that a portion of its share capital shall not be capable of being called up except in the event of winding up;

(c) the power of a limited company to determine that a portion of its share capital shall not be capable of being called up except in the event of winding up;

shall apply notwithstanding any provisions contained in any deed of settlement, contract of co-partnery or other instrument constituting or regulating the company;

(iv) nothing in this section shall authorise the company to alter any such provisions contained in any deed of settlement, contract of co-partnery or other instrument constituting or regulating the company, as would, if the company had originally been formed under this Regulation, have been required to be contained in the memorandum and are not authorised to be altered by this Regulation;

(v) nothing in this Regulation shall derogate from any lawful power of altering its constitutions or regulations which may, by virtue of any enactment at any time in force in Mysore, deed of settlement, contract of co-partnery, or other instrument constituting or regulating the company, be vested in the company.

Power to substitute memorandum and articles for deed of settlement.

267. (1) Subject to the provisions of this section, a company registered in pursuance of this Part may by special resolution alter the form of its constitution by substituting a memorandum and articles for a deed of settlement.

(2) The provisions of this Regulation with respect to confirmation by the Court and registration of an alteration of the objects of a company shall, so far as applicable, apply to an alteration under this section with the following modifications:—

(a) there shall be substituted for the printed copy of the altered memorandum required to be filed with the registrar, a printed copy of the substituted memorandum and articles; and

(b) on the registration of the alteration being certified by the registrar, the substituted memorandum and articles shall apply to the company in the same manner as if it were a company registered under this Regulation

with that memorandum and those articles, and the company's deed of settlement shall cease to apply to the company.

(3) An alteration under this section may be made either with or without any alteration of the objects of the company under this Regulation.

(4) In this section the expression "deed of settlement" includes any contract of co-partnery or other instrument constituting or regulating the company.

268. The provisions of this Regulation with respect to staying and restraining suits and legal proceedings against a company at any time after the presentation of a petition for winding up and before the making of a winding up order shall, in the case of a company registered in pursuance of this Part, where the application to stay or restrain is by a creditor, extend to suits and legal proceedings against any contributory of the company. Power of Court to stay or restrain proceedings.

269. Where an order has been made for winding up a company registered in pursuance of this Part no suit or other legal proceeding shall be commenced or proceeded with against the company or any contributory of the company in respect of any debt of the company, except by leave of the Court, and subject to such terms as the Court may impose. Suits stayed on winding up order.

PART IX.

Winding up of Unregistered Companies.

270. For the purposes of this Part, the expression "unregistered company" shall not include a railway company incorporated by any enactment at any time in force in Mysore nor a company registered under the Indian Companies Act, 1866, or under the Mysore Companies Regulation, 1895, or under the Mysore Companies Regulation, 1917, or under this regulation but save as aforesaid, shall include any partnership, association or company consisting of more than seven members. Meaning of "unregistered company."

271. (1) Subject to the provisions of this Part, any unregistered company may be wound up under this Regulation and all the provisions of this Regulation with respect to winding up shall apply to an unregistered company, with the following exceptions and additions:— Winding up of unregistered companies.

(*i*) no unregistered company shall be wound up under this Regulation voluntarily or subject to supervision;

(*ii*) the circumstances in which an unregistered company may be wound up are as follows (that is to say) :—

(*a*) if the company is dissolved, or has ceased to carry on business or is carrying on business or only for the purpose of winding up its affairs;

(*b*) if the company is unable to pay its debts;

(*c*) if the Court is of opinion that it is just and equitable that the company should be wound up;

(*iii*) an unregistered company shall, for the purposes of this Regulation, be deemed to be unable to pay its debts—

(*a*) if a creditor, by assignment or otherwise, to whom the company is indebted in a sum exceeding five hundred rupees then due, has served on the company by leaving at its principal place of business, or by delivering to the secretary, or some director, manager or principal officer of the company, or by otherwise serving in such manner as the Court may approve or direct, a demand under his hand requiring the company to pay the sum so due, and the company has for three weeks after the service of the demand neglected to pay the sum, or to secure or compound for it to the satisfaction of the creditor;

(*b*) if any suit or other legal proceeding has been instituted against any member for any debt or demand due or claimed to be due, from the company or from him in his character of member, and notice in writing of the institution of the suit or other legal proceeding having been served on the company by leaving the same at its principal place of business or by delivering it to the secretary, or some director, manager or principal officer of the company or by otherwise serving the same in such manner as the Court may approve or direct, the company has not within ten days after service of the notice paid, secured or compounded for the debt or demand, or procured the suit or other legal proceeding to be stayed, or indemnified the

defendant to his reasonable satisfaction against the suit or other legal proceeding, and against all costs, damages and expenses to be incurred by him by reason of the same;

(c) if execution or other process issued on a decree or order obtained in any Court in favour of a creditor against the company, or any member thereof as such, or any person authorised to be used as nominal defendant on behalf of the company, is returned unsatisfied; and

(d) if it is otherwise proved to the satisfaction of the Court that the company is unable to pay its debts.

(2) Nothing in this Part shall affect the operation of any enactment which provides for any partnership, association or company being wound up, or being wound up as a company or as an unregistered company, under any enactment repealed by this Regulation, except that references in any such first-mentioned enactment to any such repealed enactment shall be read as references to the corresponding provision (if any) of this Regulation.

(3) Where a company incorporated outside Mysore, which has been carrying on business in Mysore ceases to carry on business in Mysore it may be wound up as an unregistered company under this Part, notwithstanding that it has been dissolved or otherwise ceased to exist as a company under or by virtue of the laws of the country under which it was incorporated.

Contributories in winding up of unregistered companies.

272. (1) In the event of an unregistered company being wound up, every person shall be deemed to be a contributory who is liable to pay or contribute to the payment of any debt or liability of the company, or to pay or contribute to the payment of any sum for the adjustment of the rights of the members among themselves, or to pay or contribute to the payment of the costs and expenses of winding up the company, and every contributory shall be liable to contribute to the assets of the company, all sums due from him in respect of any such liability as aforesaid.

(2) In the event of any contributory dying or being adjudged insolvent, the provisions of this Regulation with respect to the legal representatives and heirs of deceased

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contributories and to the assignees of insolvent contributories shall apply.

Power to stay or restrain proceedings.

273. The provisions of this Regulation with respect to staying and restraining suits and legal proceedings against a company at any time after the presentation of a portion for winding up and before the making of a winding up order shall, in the case of an unregistered company, where the application to stay or restrain is by a creditor, extend to suits and legal proceedings against any contributory of the company.

Suits stayed on winding up order.

274. Where an order has been made for winding up an unregistered company, no suit or other legal proceeding shall be proceeded with or commenced against any contributory of the company in respect of any debt of the company, except by leave of the Court, and subject to such terms as the Court may impose.

Directions as to property in certain cases.

275. If an unregistered company has no power to sue and be sued in a common name, or if for any reason it appears expedient, the Court may by the winding up order, or by any subsequent order, direct that all or any part of the property, movable or immovable, including all interests and rights in, to and out of property, movable and immovable and including obligations and actionable claims as may belong to the company or to trustees on its behalf, is to vest in the official liquidator by his official name, and thereupon the property or the part thereof specified in the order shall vest accordingly; and the official liquidator may, after giving such indemnity (if any) as the Court may direct, bring or defend in his official name any suit or other legal proceeding relating to that property, or necessary to be brought or defended for the purposes of effectually winding up the company and recovering its property.

Provisions of this Part cumulative.

276. The provisions of this Part with respect to unregistered companies shall be in addition to, and not in restriction of, any provisions hereinbefore in this Regulation contained with respect to winding up companies by the Court, and the Court or official liquidator may exercise any powers or do any act in the case of unregistered companies which might be exercised or done by it or him in winding up companies formed and registered under this Regulation, but an unregistered company shall not, except in the event of its being wound up, be deemed to be a company under this Regulation, and then only to the extent provided by this Part.

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Companies established outside Mysore.

Requirements as to companies established outside Mysore.

277. (1) Every company incorporated outside Mysore, which at the commencement of this Regulation has a place of business in Mysore, and every such company which after the commencement of this Regulation establishes such a place of business within Mysore, shall, within six months from the commencement of this Regulation or within one month from the establishment of such place of business, as the case may be, file with the registrar—

(*a*) a certified copy of the charter, statutes or memorandum and articles of the company, or other instrument consisting or defining the constitution of the company, and, if the instrument is not written in the English language, a certified translation thereof;

(*b*) the full address of the registered or principal office of the company;

(*c*) a list of the directors and managers (if any) of the company;

(*d*) the names and addresses of some one or more persons resident in Mysore authorised to accept on behalf of the company service of process and any notices required to be served on the company;

and, in the event of any alteration being made in any such instrument or in such address or in the directors or managers or in the names or addresses of any such persons as aforesaid, the company shall within the prescribed time, file with the registrar a notice of the alteration.

(2) Any process or notice required to be served on the company shall be sufficiently served, if addressed to any person whose name has been so filed as aforesaid and left at or sent by post to the address which has been so filed.

(3) Every company to which this section applies shall in every year file with the registrar—

(*i*) in a case where by the law, for the time being in force, of the country in which the company is incorporated such company is required to file with the public authority an annual balance

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sheet,—a copy of that balance sheet and if the balance sheet does not contain all the information provided for in the form marked H in the Third Schedule, such supplementary statements as shall furnish such information; or

(*ii*) in a case where no such provision is made by the law, for the time being in force, of the country in which the company is incorporated, —such a statement in the form of a balance sheet as such company would, if it were a company formed and registered under this Regulation, be required to file in accordance with the provisions of this Regulation;

(4) Every company to which this section applies and which uses the word "Limited" as part of its name, shall,—

(*a*) in every prospectus inviting subscriptions for its share or debentures in Mysore, state the country in which the company is incorporated: and

(*b*) conspicuously exhibit on every place where it carries on business in Mysore, the name of the company and the country in which the company is incorporated in letters easily legible in English or Kannada characters, and

(*c*) have the name of the company and of the country in which the company is incorporated mentioned in legible English or Kannada characters in all bill-heads and letter paper and in all notices, advertisements and other official publications of the company.

(5) Every company to which this section applies shall if the liability of the members of the company is limited cause notice of that fact to be stated in legible characters in every prospectus inviting subscriptions for its shares, and in all bill heads and letter paper, notices, advertisements and other official publications of the company in Mysore, and to be affixed on every place where it carries on business.

(6) If any company to which this section applies fails to comply with any of the requirements of this section, the company, and every officer or agent of the company, shall be liable to a fine not exceeding five hundred

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rupees or, in the case of a continuing offence, fifty rupees for every day during which the default continues.

(7) For the purposes of this section—

(*a*) the expression "certified" means certified in the prescribed manner to be a true copy or a correct translation;

(*b*) the expression "place of business" includes a share transfer or share registration office;

(*c*) the expression "director" includes any person occupying the position of director, by whatever name called; and

(*d*) the expression "prospectus" means any prospectus, notice, circular, advertisement or other invitation, offering to the public for subscription or purchase any shares or debentures of the company.

(8) There shall be paid to the registrar for registering any document required by this section to be filed with him a fee of five rupees or such smaller fee as may be prescribed.

Restriction on sale and offer for sale of shares.

277 A. (1) It shall not be lawful for any person—

(*a*) to issue, circulate or distribute in Mysore any prospectus offering for subscription shares in or debentures of a company incorporated or to be incorporated outside Mysore whether the company has or has not established, or when formed will or will not establish, a place of business in Mysore, unless—

(*i*) before the issue, circulation or distribution of the prospectus in Mysore a copy thereof, certified by the chairman and two other directors of the company as having been approved by resolution of the managing body, has been delivered for registration to the registrar;

(*ii*) the prospectus states on the face of it that the copy has been so delivered;

(*iii*) the prospectus is dated; and

(*iv*) the prospectus otherwise complies with this Part; or

(*b*) to issue to any person in Mysore a form of application for shares in or debentures of such a company or intended company as aforesaid, unless the form is issued with a prospectus which complies with this Part:

Provided that this provision shall not apply if it is shown that the form of application was issued in connection with a *bona fide* invitation to a person to enter into an underwriting agreement with respect to the shares or debentures.

(2) This section shall not apply to the issue to existing members or debenture holders of a company of a prospectus or form of application relating to shares in or debentures of the company, whether an applicant for shares or debentures will or will not have the right to renounce in favour of other persons, but, subject as aforesaid, this section shall apply to a prospectus or form of application whether issued on or with reference to the formation of a company or subsequently.

(3) Where any document by which any shares in or debentures of a company incorporated outside Mysore are offered for sale to the public would, if the company concerned had been a company within the meaning of this Regulation, have been deemed by virtue of section 98A to be a prospectus issued by the company, that document shall be deemed to be, for the purposes of this section, a prospectus issued by the company.

(4) An offer of shares or debentures for subscription or sale to any person whose ordinary business or part of whose ordinary business it is to buy or sell shares or debentures, whether as principal or agent, shall not be deemed an offer to the public for the purposes of this section.

(5) Any person who is knowingly responsible for the issue, circulation or distribution of any prospectus, or for the issue of a form of application for shares or debentures, in contravention of the provision of this section shall be liable to a fine not exceeding five thousand rupees.

(6) In this section and in section 277 B, the expressions 'prospectus,' 'shares' and 'debentures' have the same meanings as when used in relation to a company incorporated under this Regulation.

Requirements as to prospectus.

277 B. (1) In order to comply with this Part a prospectus, in addition to complying with the provisions of sub-clauses (*ii*) and (*iii*) of clause (*a*) of sub-section (1) of section 277 A, must—

(*a*) contain particulars with respect to the following matters:—

(*i*) the objects of the company;

(*ii*) the instrument constituting or defining the constitution of the company;

(*iii*) the enactments or provisions having the force of an enactment, by or under which the incorporation of the company was effected;

(*iv*) an address in Mysore where the said instrument, enactments or provisions, or copies thereof, and if the same are in a foreign language a translation thereof in the English language certified in the prescribed manner, can be inspected;

(*v*) the date on which and the country in which the company was incorporated;

(*vi*) whether the company has established a place of business in Mysore and, if so, the address of its principal office in Mysore:

Provided that the provisions of sub-clauses (*i*), (*ii*) and (*iii*) of this clause shall not apply in the case of a prospectus issued more than two years after the date at which the company is entitled to commence business:

(*b*) subject to the provisions of this section, state the matters specified in sub-section (1-A) of section 93 and set out the reports specified in that section:

Provided that—

(*i*) where any prospectus is published as a newspaper advertisement, it shall be a sufficient compliance with the requirement that the prospectus must specify the objects of the company if the advertisement specifies the primary object with which the company was formed, and

(*ii*) in section 93 of this Regulation, a reference to the articles of the company shall be deemed to be a reference to the constitution of the company.

(2) Any condition requiring or binding any applicant for shares or debentures to waive compliance with any requirement of this section, or purporting to affect him with notice of any contract, document, or matter not specifically referred to in the prospectus, shall be void.

(3) In the event of non-compliance with or contravention of any of the requirements of this section, a director or other person responsible for the prospectus

shall not incur any liability by reason of the non-compliance or contravention, if—

(*a*) as regards any matter not disclosed, he proves that he was not cognisant there of; or

(*b*) he proves that the non-compliance or contravention arose from an honest mistake of fact on his part, or

(*c*) the non-compliance or contravention was in respect of matters which, in the opinion of the Court dealing with the case, were immaterial or were otherwise such as ought, in the opinion of that Court, having regard to all the circumstances of the case, reasonably to be excused:

Provided that in the event of failure to include in a prospectus a statement with respect to the matters specified in clause (*n*) of sub-section (1) of section 93, no director or other person shall incur any liability in respect of the failure unless it be proved that he had knowledge of the matters not disclosed.

(4) Nothing in this section shall limit or diminish any liability which any person may incur under the general law or this Regulation apart from this section.

Restriction on canvassing for sale of shares.

277-C. (1) It shall not be lawful for any person to go from house to house offering shares of a company incorporated outside Mysore for subscription or purchase to the public or any member of the public.

(2) In this sub-section the expression 'house' shall not include an office used for business purposes.

(3) Any person acting in contravention of this section shall be liable to a fine not exceeding rupees one hundred.

Registration of charges.

277-D. The provisions of sections 109 to 117, both inclusive, and 120 to 125, both inclusive, shall extend to charges on properties in Mysore which are created and to charges on property in Mysore which is acquired after the commencement of this Regulation, by a company incorporated outside Mysore which has an established place of business in Mysore.

Notice of appointment of Receiver.

277-E. The provisions of sections 118 and 119 shall *mutatis mutandis* apply to the case of all companies incorporated outside Mysore but having an established place of business in Mysore and the provisions of section 130 shall apply to such companies to the extent of requiring

them to keep at their principal place of business in Mysore the books of account required by that section with respect to money received and expended, sales and purchases made, and assets and liabilities in relation to its business in Mysore.

PART XA.

Banking Companies.

Definition of banking company.

277-F. A 'banking company' means a company which carries on as its principal business the accepting of deposits of money on current account or otherwise, subject to withdrawal by cheque, draft or order, notwithstanding that it engages in addition in any one or more of the following forms of business, namely:—

(1) the borrowing, raising or taking up of money; the lending or advancing of money either upon or without security; the drawing, making, accepting, discounting, buying, selling, collecting and dealing in bills of exchange, hoondees, promissory notes, coupons, drafts, bills of lading, railway receipts, warrants, debentures, certificates, scrips and other instruments, and securities whether transferable or negotiable or not; the granting and issuing of letters of credit, travellers' cheques and circular notes; the buying, selling and dealing in bullion and specie; the buying and selling of foreign exchange including foreign bank notes; the acquiring, holding, issuing on commission, underwriting and dealing in stock, funds, shares, debentures, debenture stock, bonds, obligations, securities and investments of all kinds; the purchasing and selling of bonds, scrips or other forms of securities on behalf of constituents or others; the negotiating of loans and advances; the receiving of all kinds of bonds, scrips or valuables on deposit, or for safe custody or otherwise; the collecting and transmitting of money and securities;

(2) acting as agents for Governments or local authorities or for any other person or persons; the carrying on of agency business of any description other than the business of a managing agent of a company not being a banking company, including the power to act as attorneys and to give discharges and receipts;

(3) contracting for public and private loans and negotiating and issuing the same;

(4) the promoting, effecting, insuring, guaranteeing, underwriting, participating in managing and carrying out of any issue, public or private, of State, Municipal or other loans or of shares, stock, debentures, or debenture stock of any company, corporation or association and the lending of money for the purpose of any such issue;

(5) carrying on and transacting every kind of guarantee and indemnity business;

(6) promoting or financing or assisting in promoting or financing any business undertaking or industry, either existing or new, and developing or forming the same either through the instrumentality of syndicates or otherwise;

(7) acquisition by purchase, lease, exchange, hire or otherwise of any property immovable or movable and any rights or privileges which the company may think necessary or convenient to acquire or the acquisition or which in the opinion of the company is likely to facilitate the realisation of any securities held by the company or to prevent or diminish any apprehended loss or liability;

(8) managing, selling and realising all property movable and immovable which may come into the possession of the company in satisfaction or part satisfaction of any of its claims;

(9) acquiring and holding and generally dealing with any property and any right, title or interest in any property movable or immovable which may form part of the security for any loans or advance or which may be connected with any such security;

(10) undertaking and executing trusts;

(11) undertaking the administration of estates as executor, trustee or otherwise;

(12) taking or otherwise acquiring and holding shares in any other company having objects similar to those of the company;

(13) establishing and supporting or aiding in the establishment and support of associations, institutions, funds, trusts and conveniences calculated to benefit employees or ex-employees of the company or the dependents or connections of such persons; granting pensions and allowances and making payments towards insurance; subscribing to or guaranteeing moneys for charitable or benevolent objects or for any exhibition or for any public, general or useful object;

(14) the acquisition, construction, maintenance and alteration of any building or works necessary or convenient for the purposes of the company;

(15) selling, improving, managing, developing, exchanging, leasing, mortgaging, disposing of or turning into account or otherwise dealing with all or any part of the property and rights of the company;

(16) acquiring and undertaking the whole or any part of the business of any person or company, when such business is of a nature enumerated or described in this section;

(17) doing all such other things as are incidental or conducive to the promotion or advancement of the business of the company.

Limitation of activities of banking company.

277-G. (1) No company formed after the commencement of this Regulation, for the purpose of carrying on business as a banking company or which uses as part of the name under which it proposes to carry on business the word 'bank', 'banker' or 'banking' shall be registered under this Regulation unless the memorandum limits the objects of the company to the carrying on of the business of accepting deposits of money on current account or otherwise subject to withdrawal by cheque, draft or otherwise along with some or all of the forms of business specified in section 277-F.

(2) No banking company whether incorporated in or outside Mysore, shall after the expiry of two years from the commencement of the said Regulation carry on any form of business other than those specified in section 277:

Provided that the Government may, by notification in the Official *Gazette*, specify in addition to the businesses set forth in clauses (1) to (17) of section 277-F other forms of business which it may be lawful under this section for a banking company to engage in.

Banking company not to employ managing agent.

277-H. No banking company shall after the expiry of two years from the commencement of this Regulation, employ or be managed by a managing agent other than a banking company for the management of the company.

Restriction on commencement of business by banking company.

277-I. Notwithstanding anything contained in section 103, no banking company incorporated under this Regulation shall commence business, unless shares have been allotted to an amount sufficient to yield a sum of at least fifty thousand rupees as working capital and unless a declaration duly verified by an affidavit signed by the

directors and the manager that such a sum has been received by way of paid-up capital has been filed with the registrar.

Prohibition of charge on unpaid capital.

277-J. No banking company shall create any charge upon any unpaid capital of the company, and any such charge shall be invalid.

Reserve fund.

277-K. (1) Every banking company shall, after the commencement of this Regulation, maintain a reserve fund.

(2) Every banking company shall out of the declared profits of each year and before any dividend is declared transfer a sum equivalent to not less than twenty per cent of such profits to the reserve fund until the amount of the said fund is equal to the paid-up capital.

(3) A banking company shall invest the amount standing to the credit of its reserve fund in Government securities or keep deposited in a special account to be opened by the company for the purpose in any bank approved by the Government:

Provided that the provision of the sub-section shall not apply to a banking company incorporated before the commencement of the Mysore Companies Regulation, 193 , till after the expiry of two years from the commencement of the said Regulation.

Cash reserve.

277-L. (1) Every banking company shall maintain by way of cash reserve in cash a sum equivalent to at least one and a half per cent of the time liabilities and five per cent of the demand liabilities of such company and shall file with the registrar before the tenth day of every month a statement of the amount so held on the Friday of each week of the preceding month with particulars of the time and demand liabilities of each such day.

(2) For the purposes of sub-section (1) 'demand liabilities' means liabilities which must be met on demand, and 'time liabilities' means liabilities which are not demand liabilities.

(3) If default is made in complying with the requirements of section 277-G, section 277-H, section 277-J, section 277-K or section 277-M or with the requirements of this section as to the maintenance of a cash reserve, every director or other officer of the company who is knowingly and wilfully a party to the default shall be liable to a fine not exceeding five hundred rupees for every day during which the default continues, and if

default is made in complying with the requirements of this section as to the filing of the statement referred to in sub-section (1), to a fine not exceeding one hundred rupees for every day during which the default continues.

Restriction on nature of subsidiary companies.

277-M. (1) A banking company shall not form any subsidiary company except a subsidiary company formed for the purpose of undertaking and executing trusts, undertaking the administration of estates as executor, trustee or otherwise and such other purposes set forth in section 277-F as are incidental to the business of accepting deposits of money on current account or otherwise.

(2) Save as provided in sub-section (1), a banking company shall not hold shares in any company of an amount exceeding fifty per cent of the issued share capital of that company; provided that nothing in this sub-section shall apply to shares held by a banking company before the commencement of this Regulation.

Power of Court to stay proceedings.

277-N. (1) The Court may on the application of a banking company which is temporarily unable to meet its obligations make an order staying the commencement or continuance of all actions and proceedings against the company for a fixed period of time on such terms and conditions as it shall think fit and proper and may from time to time extend the period.

(2) No such application shall be maintainable unless accompanied by a report of the registrar:

Provided, however, the Court may, for sufficient reasons, grant interim relief, even if the application is not accompanied by such report.

(3) The registrar shall for the purposes of his report be entitled at the cost of the company to investigate the financial condition of the company and for such purpose to have the books and documents of the company examined by an accountant holding a certificate issued under section 144.

PART XI.

Supplemental.

Legal Proceedings, Offences, etc.

Cognizance of offences.

278. (1) No Court inferior to that of a Magistrate of the first class shall try any offence against this Regulation.

(2) Notwithstanding anything in the Code of Criminal Procedure, 1904, every offence against this Regulation, shall, for the purposes of the said Code, be deemed to be non-cognizable.

Applications of fines.

279. The Court imposing any fine under this Regulation may direct that the whole or any part thereof be applied in or towards payment of the costs of the proceedings, or in or towards the rewarding of the person on whose information the fine is recovered.

Power to require limited company to give security for costs.

280. Where a limited company is plaintiff or petitioner in any suit or other legal proceeding, any Court having jurisdiction in the matter may, if it appears that there is reason to believe that the company will be unable to pay the costs of the defendant if successful in his defence, require sufficient security to be given for those costs, and may stay all proceedings until the security is given.

Power of Court to grant relief in certain cases.

281. (1) If in any proceeding for negligence, default, breach of duty or breach of trust against a person to whom this section applies, it appears to the Court hearing the case that that person is or may be liable in respect of the negligence, default, breach of duty or breach of trust, but that he has acted honestly and reasonably, and that having regard to all the circumstances of the case, including those connected with his appointment, he ought fairly to be excused for the negligence, default, breach of duty or breach of trust, that Court may relieve him, either wholly or partly, from his liability on such terms as the Court may think fit.

(2) Where any person to whom this section applies has reason to apprehend that any claim will or might be made against him in respect of any negligence, default, breach of duty or breach of trust, he may apply to the Court for relief, and the Court on any such application shall have the same power to relieve him as under this section it would have had if it had been a Court before which proceedings against that person for negligence, default, breach of duty or breach of trust had been brought.

(3) The persons to whom this section applies are the following:—

(*a*) directors of a company;
(*b*) managers and managing agents of a company;
(*c*) officers of a company;

(*d*) persons employed by a company as auditors, whether they are or are not officers of the company.

282. Whoever in any return, report, certificate, balance-sheet or other document, required by or for the purposes of any of the provisions of this Regulation, wilfully makes a statement false in any material particular, knowing it to be false, shall be punishable with imprisonment of either description for a term which may extend to three years, and shall also be liable to fine.

Penalty for false statement.

282-A. Any director, managing agent, manager or other officer or employee of a company who wrongfully obtains possession of any property of a company or having any such property in his possession wrongfully withholds it or wilfully applies it to purposes other than those expressed or directed in the articles and authorised by this Regulation, shall, on the complaint of the company or any creditor or contributory thereof, be punishable with fine not exceeding one thousand rupees and may be ordered by the Court trying the offence to deliver up or refund within a time to be fixed by the Court any such property improperly obtained or wrongfully withheld or wilfully misapplied or in default to suffer imprisonment for a period not exceeding two years.

Penalty for wrongful withholding of property.

282-B. (1) All moneys or securities deposited with a company by its employees in pursuance of their contracts of service with the company shall be kept or deposited by the company in a special account to be opened by the company for the purpose in a bank approved by the Government, and no portion thereof shall be utilised by the company except for the purposes agreed to in the contract of service.

Penalty for misapplication of securities by employers.

(2) Where a provident fund has been constituted by a company for its employees or any class of its employees, all moneys contributed to such fund (whether by the company or by the employees) or accruing by way of interest or otherwise to such fund after the commencement of this Regulation, shall be invested, and shall be invested only in securities of the Government of Mysore or in securities approved by them, and all moneys belonging to such fund at the commencement of this Regulation which are not so invested shall be invested in such securities by annual instalments not exceeding ten in number and not less in amount in any year than one-tenth of the whole amount of such moneys.

(3) Notwithstanding anything to the contrary in the rules of any fund to which sub-section (2) applies or in any contract between a company and its employees, no employee shall be entitled to receive in respect of such portion of the amount to his credit in such fund as is invested in accordance with the provisions of sub-section (2) interest at a rate exceeding the rate of interest yielded by such investment.

(4) An employee shall be entitled on request made in this behalf to the company to see the bank's receipt for any money or security such as is referred to in sub-section (1) and sub-section (2).

(5) Any director, managing agent, manager or other officer of the company who knowingly contravenes or permits or authorises the contravention of the provisions of this section shall be liable on conviction to a fine not exceeding five hundred rupees.

Penalty for improper use of word "Limited."

283. If any person or persons trade or carry on business under any name or title of which "Limited" is the last word, that person or those persons shall unless duly incorporated with limited liability, be liable to a fine not exceeding fifty rupees for every day upon which that name or title has been used.

Provisions for winding up for non-compliance with orders issued under section 11.

283-A. If any company required to alter or omit the words objected to under proviso to sub-section 3 of section 11, does not comply with such requisition, within the period of three months mentioned therein, it shall be liable to be wound up on a petition presented by the Government Advocate or any other officer duly authorised by the Government in this behalf, notwithstanding anything contained in section 166.

Saving of pending proceedings for winding up.

284. The provisions of this Regulation with respect to winding up shall not apply to any company of which the winding up has commenced before the commencement of this Regulation, but every such company shall be wound up in the same manner and with the same incidents as if this Regulation had not been passed, and, for the purpose of the winding up, the Mysore Companies Regulation, 1895, or the Mysore Companies Regulation, 1917, shall be deemed to remain in full force.

Saving of document.

285. Every instrument of transfer or other document made before the commencement of this Regulation in pursuance of any enactment hereby repealed, shall be of the same force as if this Regulation had not been

passed, and for the purposes of that instrument or document the repealed enactment shall be deemed to remain in full force.

286. (1) The offices existing at the commencement of this Regulation for registration of joint-stock companies shall be continued as if they had been established under this Regulation.

Former registration offices, registers, and registrars continued.

(2) Registers of companies kept in any such existing offices shall respectively be deemed part of the registers of companies to be kept under this Regulation.

(3) The existing registrars, assistant registrars and officers in those offices shall, during the pleasure of the Government, hold the offices hitherto held by them, subject to any rules of the Government with regard to the execution of their duties.

288. In sections 2 and 19 of Regulation III of 1904 (for the registration of Literary Scientific and Charitable Societies), the words "registrar of joint-stock companies" shall be construed to mean the registrar under this Regulation.

Construction of "registrar of joint-stock companies" in Regulation III of 1904.

290. (1) The enactment mentioned in the Fourth Schedule is hereby repealed to the extent specified in the fourth column thereof:

Repeal of Regulation and savings.

Provided that the repeal shall not affect—

(*a*) the incorporation of any company registered under any enactment hereby repealed; nor

(*c*) Table A in the First Schedule annexed to the Mysore Companies Regulation, 1895, or annexed to the Mysore Companies Regulation, 1917, or any part thereof, so far as the same applies to any company existing at the commencement of this Regulation.

(2) All fees directed, resolutions passed and other things duly done under any enactment hereby repealed, shall be deemed to have been directed, passed or done under this Regulation.

(3) The mention of particular matters in this section or in any other section of this Regulation shall not prejudice the general application of Section 6 of the General Clauses Regulation, 1899, with regard to the effect of repeals.

SCHEDULES.

THE FIRST SCHEDULE.

(See sections 2, 17, 18, 79 and 266.) 792

TABLE A.

Regulations for Management of a Company limited by Shares.

PRELIMINARY.

1. In these regulations, unless the context otherwise requires, expressions defined in the Mysore Companies Regulation, 193 , or any statutory modification thereof in force at the date at which these regulations become binding on the company, shall have the meanings so defined; and words importing the singular shall include the plural, and *vice versa*, and words importing the masculine gender shall include females, and words importing persons shall include bodies corporate.

BUSINESS.

2. The directors shall have regard to the restrictions on the commencement of business imposed by section 103 of the Mysore Companies Regulation, 193 , if, and so far as, those restrictions are binding upon the company.

SHARES.

3. Subject to the provisions, if any, in that behalf, of the memorandum of association of the company, and without prejudice to any special rights previously conferred on the holders of existing shares in the company, any share in the company may be issued with such preferred, deferred or other special rights, or such restrictions, whether in regard to dividend, voting, return of share capital, or otherwise, as the company may from time to time by special resolution determine, and any preference share may with the sanction of a special resolution be issued on the terms that it is or at the option of the company is liable to be redeemed.

4. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may subject to the provisions of section 66A of the Mysore Companies Regulation, 193 , be varied with the consent in writing of the holders of three-fourths of the issued shares of

that class, or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the shares of the class. To every such separate general meeting the provisions of these regulations relating to general meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy one-third of the issued shares of the class.

5. No share shall be offered to the public for subscription except upon the terms that the amount payable on application shall be at least 5 per cent of the nominal amount of the share; and the directors shall, as regards any allotment of shares, duly comply with such of the provisions of sections 101 and 104 of the Mysore Companies Regulation, 193 , as may be applicable thereto.

6. Every person whose name is entered as a member in the register of members shall, without payment, be entitled to a certificate under the common seal of the company specifying the share or shares held by him and the amount paid up thereon: Provided that in respect of a share or shares held jointly by several persons the company shall not be bound to issue more than one certificate and delivery of a certificate for a share to one of several joint-holders shall be sufficient delivery to all.

7. If a share certificate is defaced, lost or destroyed, it may be renewed on payment of such fee, if any, not exceeding eight annas, and on such terms, if any, as to evidence and indemnity as the directors think fit.

8. Except to the extent allowed by section 54A of the Mysore Companies Regulation, 193, no part of the funds of the company shall be employed in the purchase of, or in loans upon the security of, the company's shares.

LIEN.

9. The company shall have a lien on every share (not being a fully-paid share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of that share, and the company shall also have a lien on all shares (other than fully-paid shares) standing registered in the name of a single person, for all moneys presently payable by him or his estate to the company; but the directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause. The company's lien, if any, on a share shall extend to all dividends payable thereon.

10. The company may sell, in such manner as the director thinks fit, any shares on which the company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable, nor until the expiration of fourteen days after a notice in writing, stating, and demanding payment of such part of amount in respect of which the lien exists as is presently payable, has been given to the registered holder for

the time being of the share, or the person entitled by reason of his death or insolvency to the share.

11. The proceeds of the sale shall be applied in payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue shall (subject to a like lien for sums not presently payable as existed upon the shares prior to the sale) be paid to the person entitled to the shares at the date of the sale. The purchaser shall be registered as the holder of the shares, and he shall not be bound to see to the application of the purchase-money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

Calls on Shares.

12. The directors may from time to time make calls upon the members in respect of any moneys unpaid on their shares, provided that no call shall exceed one-fourth of the nominal amount of the share, or be payable at less than one month from the last call; and each member shall (subject to receiving at least fourteen days' notice specifying the time or times of payments) pay to the company at the time or times so specified the amount called on his shares.

13. The joint-holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

14. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest upon the sum at the rate of five per cent per annum from the day appointed for the payment thereof to the time of the actual payment; but the directors shall be at liberty to waive payment of that interest wholly or in part.

15. The provisions of these regulations as to payment of interest shall apply in the case of non-payment of any sum which, by the terms of the issue of a share, becomes payable at a fixed time, whether on account of the amount of the share, or by way of premium, as if the same had become payable by virtue of a call, duly made and notified.

16. The directors may make arrangements on the issue of shares for a difference between the holders in the amount of calls to be paid and in the times of payment.

17. The directors may, if they think fit, receive from any member willing to advance the same all or any part of the moneys uncalled and unpaid upon any shares held by him; and upon all or any of the moneys so advanced may (until the same would, but for such advance, become presently payable) pay interest at such rate (not exceeding, without the sanction of the company in general meeting, six per cent) as may be agreed upon between the member paying the sum in advance and the directors.

TRANSFER AND TRANSMISSION OF SHARES.

18. The instrument of transfer of any share in the company shall be executed both by the transferor and transferee, and the transferor shall be deemed to remain holder of the share until the name of the transferee is entered in the register of members in respect thereof.

19. Shares in the company shall be transferred in the following form, or in any usual or common form which the directors shall approve:

I, A B of in consideration of the sum of rupees paid to me by C D of (hereinafter called "the said transferee"), do hereby transfer to the said transferee the share [*or* shares] numbered in the undertaking called the Company, Limited, to hold unto the said transferee, his executors, administrators and assigns, subject to the several conditions on which I held the same at the time of the execution thereof, and I, the said transferee, do hereby agree to take the said share [*or* shares] subject to the conditions aforesaid. As witness our hands the day of

Witness to the signature of, etc.

20. The directors may decline to register any transfer of shares, not being fully-paid shares, to a person of whom they do not approve, and may also decline to register any transfer of shares on which the company has a lien. The directors may also suspend the registration of transfers during the fourteen days immediately preceding the ordinary general meeting in each year. The directors may decline to recognize any instrument of transfer unless—

(*a*) a fee not exceeding two rupees is paid to the company in respect thereof; and

(*b*) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer.

If the directors refuse to register a transfer of any shares, they shall within two months after the date on which the transfer was lodged with the company send to the transferee and the transferor notice of the refusal.

21. The executors or administrators of a deceased sole holder of a share shall be the only persons recognized by the company as having any title to the share. In the case of a share registered in the names of two or more holders, the survivors or survivor, or the executors or administrators of the deceased survivor, shall be the only persons recognized by the company as having any title to the share.

22. Any person becoming entitled to a share in consequence of the death or insolvency of a member shall, upon such evidence being produced as may from time to time be required

by the directors, have the right, either to be registered as a member in respect of the share or, instead of being registered himself, to make such transfer of the share as the deceased or insolvent person could have made; but the directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by the deceased or the insolvent person before the death or insolvency.

23. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company.

Forfeiture of Shares.

24. If a member fails to pay any call or instalment of a call on the day appointed for payment thereof, the director may, at any time thereafter during such time as any part of such call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.

25. The notice shall name a further day (not earlier than the expiration of fourteen days, from the date of the notice) on or before which the payment required by the notice is to be made, and shall state that, in the event of non-payment at or before the time appointed, the shares in respect of which the call was made will be liable to be forfeited.

26. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the directors to that effect.

27. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the directors think fit, and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the directors think fit.

28. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding, remain liable to pay to the company all moneys which, at the date of forfeiture, were presently payable by him to the company in respect of the shares, but his liability shall cease if and when the company received payment in full of the nominal amount of the shares.

29. A duly verified declaration in writing that the declarant is a director of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as

against all persons claiming to be entitled to the share, and that declaration, and the receipt of the company for the consideration, if any, given for the share on the sale or disposition thereof, shall constitute a good title to the share, and the person to whom the share is sold or disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the purchase-money (if any), nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

30. The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the amount of the share, or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

Conversion of Shares into Stock.

31. The directors may, with the sanction of the company previously given in general meeting, convert any paid-up shares into stock, and may with the like sanction re-convert any stock into paid-up shares of any denomination.

32. The holders of stock may transfer the same, or any part thereof, in the same manner, and subject to the same regulations, as, and subject to which, the shares from which the stock arose might previously to conversion have been transferred, or as near thereto as circumstances admit; but the directors may, from time to time, fix the minimum amount of stock transferable, and restrict or forbid the transfer of fractions of that minimum, but the minimum shall not exceed the nominal amount of the shares from which the stock arose.

33. The holders of stock shall, according to the amount of the stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the company) shall be conferred by any such aliquot part of stock as would not, if existing in shares, have conferred that privilege or advantage.

34. Such of the regulations of the company (other than those relating to share-warrants), as are applicable to paid-up shares shall apply to stock, and the words "share" and "shareholder" therein shall include "stock" and "stock-holder."

Share-warrants.

35. The company may issue share-warrants, and accordingly the directors may in their discretion, with respect to any share which is fully paid up, on application in writing signed by the person registered as holder of the share, and authenticated by such evidence (if any) as the directors may from time to

time require as to the identity of the person signing the request, and on receiving the certificate (if any) of the share, and the amount of the stamp-duty on the warrant and such fee as the directors may from time to time require, issue under the company's seal a warrant, duly stamped, stating that the bearer of the warrant is entitled to the shares therein specified, and may provide by coupons or otherwise for the payment of dividends, or other moneys and the shares included in the warrant.

36. A share-warrant shall entitle the bearer to the shares included in it and the share shall be transferred by the delivery of the share-warrant, and the provisions of the regulations of the company with respect to transfer and transmission of shares shall not apply thereto.

37. The bearer of a share-warrant shall, on surrender of the warrant to the company for cancellation, and on payment of such sum as the directors may from time to time prescribe, be entitled to have his name entered as a member in the register of members in respect of the shares included in the warrant.

38. The bearer of a share-warrant may at any time deposit the warrant at the office of the company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the company, and of attending and voting and exercising the other privileges of a member at any meeting, held after the expiration of two clear days from the time of deposit, as if his name were inserted in the register of members as the holder of the shares included in the deposited warrant. Not more than one person shall be recognised as depositor of the share-warrant. The company shall, on two days' written notice, return the deposited share-warrant to the depositor.

39. Subject as herein otherwise expressly provided, no person shall, as bearer of a share-warrant, sign a requisition for calling a meeting of the company, or attend, or vote or exercise any other privilege of a member at a meeting of the company, or be entitled to receive any notices from the company; but the bearer of a share-warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the register of members of the holders of the shares included in the warrant, and he shall be a member of the company.

40. The directors may from time to time make rules as to the terms on which (if they shall think fit) a new share-warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

Alteration of Capital.

41. The directors may, with the sanction of the company in general meeting, increase the share capital by such sum, to be divided into shares of such amount, as the resolution shall prescribe.

42. Subject to any direction to the contrary that may be given by the resolution sanctioning the increase of share capital, all new shares shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the directors may dispose of the same in such manner as they think most beneficial to the company. The directors may likewise so dispose of any new shares which by reason of the ratio which (the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the directors, be conveniently offered under this article.

43. The new shares shall be subject to the same provisions with reference to the payment of calls, lien, transfer, transmission, forfeiture and otherwise as the shares in the original share capital.

44. The company may, by ordinary resolution,—

(*a*) consolidate and divide its share capital into shares of larger amount than its existing shares;

(*b*) by sub-division of its existing shares or any of them, divide the whole or any part of its share capital into shares of smaller amount than is fixed by the memorandum of association, subject, nevertheless, to the provisions of paragraph (*d*) of sub-section (1) of section 50 of the Mysore Companies Regulation, 193 ;

(*c*) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

44A. The company may, by special resolution, reduce its share capital in any manner and with, and subject to any incident authorised, and consent required, by law.

General Meetings.

45. The statutory general meeting of the company shall be held within the period required by section 77 of the Mysore Companies Regulation, 193 .

46. A general meeting shall be held within eighteen months from the date of its incorporation and thereafter once at least in every year at such time (not being more than fifteen months after the holding of the last preceding general meeting) and place as may be prescribed by the company in general meeting, or, in default, at such time in the month following that in which the anniversary of the company's incorporation occurs,

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and at such place as the directors shall appoint. In default of a general meeting being so held, a general meeting shall be held in the month next following, and may be called by any two members in the same manner as nearly as possible as that in which meetings are to be called by the directors.

47. The abovementioned general meetings shall be called ordinary meetings; all other general meetings shall be called extraordinary.

48. The directors may, whenever they think fit, call an extraordinary general meeting, and extraordinary general meetings shall also be called on such requisition, or in default, may be called by such requisitionists, as provided by section 78 of the Mysore Companies Regulation, 193 . If at any time there are not within Mysore sufficient directors capable of acting to form a quorum, any director or any two members of the company may call an extraordinary general meeting in the same manner as nearly as possible as that in which meetings may be called by the directors.

Proceedings at General Meeting.

49. Subject to the provisions of sub-section (2) of section 81 of the Mysore Companies Regulation, 193 , relating to special resolutions fourteen days' notice at the least (exclusive of the day on which the notice is served or deemed to be served, but inclusive of the day for which notice is given) specifying the place, the day and the hour of meeting and, in case of special business, the general nature of that business, shall be given in manner hereinafter mentioned, or in such other manner, if any, as may be prescribed by the company in general meeting, to such persons as are, under the Mysore Companies Regulation, 193 , or the regulations of the company, entitled to receive such notices from the company; but the accidental omission to give notice to or the non-receipt of notice by any member shall not invalidate the proceedings at any general meeting.

50. All business shall be deemed special that is transacted at an extraordinary meeting, and all that is transacted at an ordinary meeting with the exception of sanctioning a dividend, the consideration of the accounts, balance-sheets and the ordinary report of the directors and auditors, the election of directors and other officers in the place of those retiring by rotation, and the fixing of the remuneration of the auditors.

51. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business; save as herein otherwise provided, two members in the case of a private company and five members in the case of any other company personally present shall be a quorum.

52. If within half an hour from the time appointed for the meeting, a quorum is not present, the meeting, if called upon

the requisition of members, shall be dissolved; in any other case, it shall stand adjourned to the same day in the next week at the same time and place, and, if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the members present shall be a quorum.

53. The chairman, if any, of the board of directors shall preside as chairman at every general meeting of the company.

54. If there is no such chairman, or if at any meeting he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling, to act as chairman, the members present shall choose some one of their number to be chairman.

55. The chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for ten days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

56. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded in accordance with the provisions of clause (*c*) of sub-section (1) of section 79 of the Mysore Companies Regulation, 193 , and, unless a poll is so demanded, a declaration by the chairman that a resolution has, on a show of hands, been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book of the proceedings of the company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of, or against, that resolution.

57. If a poll is duly demanded, it shall be taken in such manner as the chairman directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

58. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place, or at which the poll is demanded, shall be entitled to a second or casting vote.

59. A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairman of the meeting directs.

VOTES OF MEMBERS.

60. On a show of hands, every member present in person shall have one vote. On a poll every member shall have one vote in respect of each share or each hundred rupees of stock held by him.

61. In the case of joint-holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint-holders; and for this purpose seniority shall be determined by the order in which the names stand in the register of members.

62. A member of unsound mind, or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.

63. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.

64. On a poll, votes may be given either personally or by proxy: Provided that no company shall vote by proxy as long as a resolution of its directors in accordance with the provisions of section 80 of the Mysore Companies Regulation, 193, is in force.

65. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or, if the appointor is a corporation, either under the common seal, or under the hand of an officer or attorney so authorised. No person shall act as a proxy unless he is a member of the company.

66. The instrument appointing a proxy and the power-of-attorney or other authority (if any), under which it is signed, or a notarially certified copy of that power or authority, shall be deposited at the registered office of the company not less than seventy-two hours before the time for holding the meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.

67. An instrument appointing a proxy may be in the following form or in any other form which the directors shall approve:—

COMPANY, LIMITED.

"I of in the district of being a member of the Company, Limited, hereby appoint of as my proxy to vote for me and on my behalf at the [ordinary or extraordinary, as the case may be] general meeting of the company to be held on the day of and at any adjournment thereof."

Signed this day of

DIRECTORS.

68. The number of the directors and the names of the first directors shall be determined in writing by a majority of the subscribers of the memorandum of association.

69. The remuneration of the directors shall from time to time be determined by the company in general meeting.

70. The qualification of a director shall be the holding of at least one share in the company, and it shall be his duty to comply with the provisions of section 85 of the Mysore Companies Regulation, 193.

POWERS AND DUTIES OF DIRECTORS.

71. The business of the company shall be managed by the directors, who may pay all expenses incurred in getting up and registering the company, and may exercise all such powers of the company as are not by the Mysore Companies Regulation, 193, or any statutory modification thereof for the time being in force, or by these articles, required to be exercised by the company in general meeting, subject nevertheless to any regulation of these articles, to the provisions of the said Regulation, and to such regulations being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the company in general meeting; but no regulation made by the company in general meeting shall invalidate any prior act of the directors which would have been valid if that regulation had not been made.

72. The directors may from time to time appoint one or more of their body to the office of managing director or manager for such term, and at such remuneration (whether by way of salary, or commission, or participation in profits, or partly in one way and partly in another) as they may think fit, and a director so appointed shall not, while holding that office, be subject to retirement by rotation, or taken into account in determining the rotation of retirement of directors, but his appointment shall be subject to determination *ipso facto* if he ceases from any cause to be a director, or if the company in general meeting resolve that his tenure of the office of managing director or manager be determined.

73. The amount for the time being remaining undischarged of moneys borrowed or raised by the directors for the purposes of the company (otherwise than by the issue of share capital) shall not at any time exceed the issued share capital of the company without the sanction of the company in general meeting.

74. The directors shall duly comply with the provisions of the Mysore Companies Regulation, 193, or any statutory modification thereof for the time being in force, and in particular with the provision in regard to the registration of the particulars of mortgages and charges affecting the property of the company or created by it, and to keeping a register of the directors, and to

sending to the registrar an annual list of members, and a summary of particulars relating thereto and notice of any consolidation or increase of share capital, or conversion of shares into stock, and copies of special resolutions and a copy of the register of directors and notifications of any changes therein.

75. The directors shall cause minutes to be made in books provided for the purpose—

(*a*) of all appointments of officers made by the directors;

(*b*) of the names of the directors present at each meeting of the directors and of any committee of the directors;

(*c*) of all resolutions and proceedings at all meetings of the company, and, of the directors, and of committees of directors;

and every director present at any meeting of directors or committee of directors shall sign his name in a book to be kept for that purpose.

THE SEAL.

76. The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the board of directors, and in the presence of at least two directors and of the secretary or such other person as the directors may appoint for the purpose, and those two directors and secretary or other person as aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

DISQUALIFICATIONS OF DIRECTORS.

77. The office of director shall be vacated if the director—

(*a*) fails to obtain within the time specified in sub-section (1) of section 85 of the Mysore Companies Regulation, 193 , or at any time thereafter ceases to hold, the share qualification, if any, necessary for his appointment; or

(*b*) is found to be of unsound mind by a Court of competent jurisdiction; or

(*c*) is adjudged insolvent; or

(*d*) fails to pay calls made on him in respect of shares held by him within six months from the date of such calls being made; or

(*e*) without the sanction of the company in general meeting accepts or holds any office of profit under the company other than that of a managing director or manager or a legal or technical adviser or banker; or

(*f*) absents himself from three consecutive meetings of the directors or from all meetings of the directors for a continuous period of three months, whichever is longer, without leave of absence from the board of directors; or

(*g*) accepts a loan from the company; or

(*h*) is concerned or participates in the profits of any contract with the company; or

(i) is punished with imprisonment for a term exceeding six months:

Provided, however, that no director shall vacate his office by reason of his being a member of any company which has entered into contracts with, or done any work for, the company of which he is director, but a director shall not vote in respect of any such contract or work, and if he does so vote, his vote shall not be counted.

ROTATION OF DIRECTORS.

78. At the first ordinary meeting of the company, the whole of the directors shall retire from office, and at the ordinary meeting in every subsequent year, one-third of the directors for the time being or, if their number is not three or a multiple of three, then the number nearest to one-third shall retire from office.

79. The directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who became directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

80. A retiring director shall be eligible for re-election.

81. The company at the general meeting at which a director retires in manner aforesaid may fill up the vacated office by electing a person thereto.

82. If at any meeting at which an election of directors ought to take place, the places of the vacating directors are not filled up, the meeting shall stand adjourned till the same day in the next week at the same time and place, and, if at the adjourned meeting the places of the vacating directors are not filled up, the vacating directors or such of them as have not had their places filled up shall be deemed to have been re-elected at the adjourned meeting.

83. Subject to the provisions of sections 83A and 83B of Mysore Companies Regulation, 193, the company may from time to time in general meeting increase or reduce the number of directors, and may also determine in what rotation the increased or reduced number is to go out of office.

84. Any casual vacancy occurring on the board of directors may be filled up by the directors, but the person so chosen shall be subject to retirement at the same time as if he had become a director on the day on which the director in whose place he is appointed was last elected a director.

85. The directors shall have power at any time, and from time to time, to appoint a person as an additional director, who shall retire from office at the next following ordinary general meeting, but shall be eligible for election by the company at that meeting as an additional director.

86. The company may by extraordinary resolution remove any director before the expiration of his period of office, and

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may by an ordinary resolution appoint another person in his stead; the person so appointed shall be subject to retirement at the same time as if he had become a director on the day on which the director in whose place he is appointed was last elected a director.

PROCEEDINGS OF DIRECTORS.

87. The directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings, as they think fit. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes, the chairman shall have a second or casting vote. A director may, and the secretary on the requisition of a director shall, at any time, summon a meeting of directors.

88. The quorum necessary for the transaction of the business of the directors may be fixed by the directors, and unless so fixed shall (when the number of directors exceeds three) be three.

89. The continuing directors may act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below the number fixed by or pursuant to the regulations of the company as the necessary quorum of directors, the continuing directors may act for the purpose of increasing the number of directors to that number, or of summoning a general meeting of the company, but for no other purpose.

90. The directors may elect a chairman of their meetings and dermine the period for which he is to hold office; but if no such chairman is elected, or if at any meeting the chairman is not present within five minutes after the time appointed for holding the same, the directors present may choose one of their number to be chairman of the meeting.

91. The directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit; any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on them by the directors.

92. A committee may elect a chairman of their meetings; if no such chairman is elected, or if at any meeting the chairman is not present within five minutes after the time appointed for holding the same, the members present may choose one of their number to be chairman of the meeting.

93. A committee may meet and adjourn as they think proper. Questions arising at any meeting shall be determined by a majority of votes of the members present, and in case of an equality of votes, the chairman shall have a second or casting vote.

94. All acts done by any meeting of the directors or of a committee of directors, or by any person acting as a director, shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such directors or persons

acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a director.

Dividends and Reserve.

95. The company in general meeting may declare dividends, but no dividends shall exceed the amount recommended by the directors.

96. The directors may from time to time pay to the members such interim dividends as appear to the directors to be justified by the profits of the company.

97. No dividends shall be paid otherwise than out of profits of the year or any other undistributed profits.

98. Subject to the rights of persons (if any) entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid on the shares, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares. No amount paid on a share in advance of calls shall, while carrying interest, be treated for the purposes of this article as paid on the share.

99. The directors may, before recommending any dividend, set aside out of the profits of the company such sums as they think proper as a reserve or reserves which shall, at the discretion of the directors, be applicable for meeting contingencies, or for equalizing dividends, or for any other purpose to which the profits of the company may be properly applied, and pending such application may, at the like discretion, either be employed in the business of the company or be inveted in such investments (other than shares of the company) as the directors may from time to time think fit.

100. If several persons are registered as joint-holders of any share, any one of them may give effectual receipts for any dividend payable on the share.

101. Notice of any dividend that may have been declared shall be given in manner hereinafter mentioned to the persons entitled to share therein.

102. No dividend shall bear interest against the company.

Accounts.

103. The directors shall cause to be kept proper books of account with respect to—

(*a*) all sums of money received and expended by the company and the matters in respect of which the receipts and expenditure take place;

(*b*) all sales and purchases of goods by the company;

(*c*) the assets and liabilities of the company.

104. The books of account shall be kept at the registered office of the company or at such other place as the directors shall think fit and shall be open to inspection by the directors during business hours.

105. The directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the company or any of them shall be open to the inspection of members not being directors, and no member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the directors or by the company in general meeting.

106. The directors shall as required by sections 131 and 131A of the Mysore Companies Regulation, 193 , cause to be prepared and to be laid before the company in general meeting such profit and loss accounts, income and expenditure accounts, balance sheets, and reports as are referred to in those sections.

107. The profit and loss account shall in addition to the matters referred to in sub-section (3) of section 132 of the Mysore Companies Regulation, 193 , show, arranged under the most convenient heads, the amount of gross income, distinguishing the several sources from which it has been derived, and the amount of gross expenditure, distinguishing the expenses of the establishment, salaries and other like matters. Every item of expenditure fairly chargeable against the year's income shall be brought into account, so that a just balance of profit and loss may be laid before the meeting, and, in cases where any item of expenditure which may in fairness be distributed over several years has been incurred in any one year, the whole amount of such item shall be stated, with the addition of the reasons why only a portion of such expenditure is charged against the income of the year.

108. A balance-sheet shall be made out in every year and laid before the company in general meeting made up to a date not more than six months before such meeting. The balance-sheet shall be accompanied by a report of the directors as to the state of the company's affairs, and the amount which they recommend to be paid by way of dividend, and the amount (if any) which they propose to carry to a reserve fund.

109. A copy of the balance-sheet and report shall, fourteen days previously to the meeting, be sent to the persons entitled to receive notices of general meetings in the manner in which notices are to be given hereunder.

110. The directors shall in all respects comply with the provisions of sections 130 to 135 of the Mysore Companies Regulation, 193 , or any statutory modification thereof for the time being in force.

AUDIT.

111. Auditors shall be appointed and their duties regulated in accordance with sections 144 and 145 of the Mysore

Companies Regulation, 193 , or any statutory modification thereof for the time being in force.

NOTICES.

112. (1) A notice may be given by the company to any member either personally or by sending it by post to him to his registered address, or (if he has no registered address in Mysore) to the address, if any, within Mysore supplied by him to the company for the giving of notices to him.

(2) Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the notice and, unless the contrary is proved, to have been effected at the time at which the letter would be delivered in the ordinary course of post.

113. If a member has no registered address in Mysore, and has not supplied to the company an address within Mysore for the giving of notices to him, a notice addressed to him and advertised in a newspaper circulating in the neighbourhood of the registered office of the company shall be deemed to be duly given to him on the day on which the advertisement appears.

114. A notice may be given by the company to the joint-holders of a share by giving the notice to the joint-holder named first in the register in respect of the share.

115. A notice may be given by the company to the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name, or by the title of representatives of the deceased, or assignee of the insolvent or by any like description, at the address (if any) in Mysore supplied for the purpose by the persons claiming to be so entitled, or (until such an address has been so supplied) by giving the notice in any manner in which the same might have been given if the death or insolvency had not occurred.

116. Notice of every general meeting shall be given in some manner hereinbefore authorised to (*a*) every member of the company (including bearers of share-warrants) except those members who (having no registered address within Mysore) have not supplied to the company an address within Mysore for the giving of notices to them, and also to (*b*) every person entitled to a share in consequence of the death or insolvency of a member, who, but for his death or insolvency, would be entitled to receive notice of the meeting. No other persons shall be entitled to receive notices of general meetings.

TABLE B.

(See sections 249 and 262.)

Table of Fees to be paid to the Registrar.

I—By a Company having a share capital.

		Rs.	a.	p.
1.	For registration of a company whose nominal share capital does not exceed Rs. 20,000, a fee of ...	40	0	0
2.	For registration of a company whose nominal share capital exceeds Rs. 20,000, the above fee of forty rupees, with the following additional fees regulated according to the amount of nominal capital (that is to say)—			
	For every 10,000 rupees of nominal share capital, or part of 10,000 rupees, after the first 20,000 rupees up to 50,000 rupees ...	20	0	0
	For every 10,000 rupees of nominal share capital, or part of 10,000 rupees, after the first 50,000 rupees up to 10,00,000 rupees ...	5	0	0
	For every 10,000 rupees of nominal share capital, or part of 10,000 rupees, after the first 10,00,000 rupees	1	0	0
3.	For registration of any increase of share capital made after the first registration of the company, the same fees per 10,000 rupees or part of 10,000 rupees as would have been payable if such increased share capital had formed part of the original share capital at the time of registration.			
	Provided that no company shall be liable to pay in respect of nominal share capital on registration or afterwards, any greater amount of fees than 1,000 rupees taking into account in the case of fees payable on an increase of share capital after registration, the fees paid on registration.			
4.	For registration of any existing company, except such companies as are by this Regulation exempted from payment of fees in respect of registration under this Regulation, the same fees as is charged for registering a new company.			
5.	For filing returns of allotments prescribed by section 104 of the Regulation in cases in which the aggregate paid-up value of the shares allotted does not exceed Rs. 100, one per cent on the paid up value of the shares allotted; in cases in which the paid up value exceeds Rs. 100, three rupees.			
	For filing any other document required or authorised by the Regulation or Rules made thereunder other than the Memorandum or the abstract required to be filed with the Registrar by a receiver or the statement required to be filed with the Registrar by the liquidator in a winding-up, three rupees.			

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	Rs.	a.	p.
6. For making a record of any fact by this Regulation authorised or required to be recorded by the Registrar, a fee of	5	0	0

II—By a company not having a share capital.

1. For registration of a company whose number of members, as stated in the articles of the association, does not exceed 20	40	0	0
2. For registration of a company whose number of members, as stated in the articles of association, exceeds 20, but does not exceed 100 ...	100	0	0
3. For registration of a company whose number of members, as stated in the articles of association, exceeds 100, but is not stated to be unlimited, the above fee of Rs. 100 with an additional Rs. 5 for every 50 members or less number than 50 members after the first 100.			
4. For registration of a company in which the number of members is stated in the articles of association to be unlimited, a fee of	400	0	0
5. For registration of any increase on the number of members made after the registration of the company, the same fees as would have been payable if such increase had been stated in the articles of association at the time of registration ...	5	0	0
Provided that no one company shall be liable to pay on the whole a greater fee than Rs 400 in respect of its number of members, taking into account the fee paid on the first registration of the company.			
6. For registration of any existing company except such companies as are by this Regulation exempted from payment of fees in respect of registration under this Regulation, the same fee as is charged for registering a new company.			
7. For filing returns of allotments prescribed by section 104 of the Regulation in cases in which the aggregate paid up value of the shares allotted does not exceed Rs. 100, one per cent on the paid up value of the shares allotted; in cases in which the paid up value exceeds Rs. 100, three rupees.			
For filing any other document required or authorised by the Regulation or Rules made thereunder other than the Memorandum or the abstract required to be filed with the Registrar by a receiver or the statement required to be filed with the Registrar by the liquidator in a winding-up, three rupees.			
8. For making a record of any fact by this Regulation authorised or required to be recorded by the Registrar, a fee of	5	0	0

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THE SECOND SCHEDULE.

(*See sections 98 and 154*).

FORM I.

The Mysore Companies Regulation, 193 .

STATEMENT IN LIEU OF PROSPECTUS.

filed by

.....LIMITED,

pursuant to section 98 of the Mysore Companies Regulation 193 .

Presented for filing by

The nominal share capital of the company.	Rs. .....
Divided into	shares of Rs..... each. shares of Rs..... each. shares of Rs..... each.
Amount (if any) of above capital which consists of redeemable preference shares.	shares of Rs..... each.
The date on or before which these shares are, or are liable, to be redeemed.	
Names, descriptions and addresses of directors or proposed directors and managers or proposed managers, and any provision in the articles, or in any contract, as to appointment of and remuneration payable to directors or managers.	

If the share capital of the company is divided into different classes of shares, the right of voting at meetings of the company conferred by, and the rights in respect of capital and dividends attached to, the several classes of shares respectively.	
Number and amount of shares and debentures agreed to be issued as fully or partly paid up otherwise than in cash.	1. ——shares of Rs..... fully paid. 2. ——shares upon which Rs.....per share credited as paid. 3. Debenture Rs..... 4. Consideration.
Names and addresses of vendors of property purchased or acquired, or proposed to be purchased or acquired by the company. Amount (in cash, shares or debentures) payable to each separate vendor.	
Amount (if any) paid or payable (in cash or shares or debentures) for any such property, specifying amount (if any) paid or payable for goodwill.	Total purchase price ... Rs. ..... Cash ... Rs. ..... Shares ... Rs. ..... Debentures ... Rs. ..... Goodwill ... Rs. .....
Amount (if any) paid or payable as commission for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares or debentures in the company ; or Rate of the commission.....	Amount paid. Amount payable. Rate per cent.
The number of shares, if any, which persons have agreed for a commission to subscribe absolutely.	

Estimated amount of preliminary expenses.	Rs.....
Amount paid or intended to be paid to any promoter. Consideration for the payment.	Name of promoter..... Amount Rs..... Consideration :—
Dates of, and parties to every material contract (except contracts entered into in the ordinary course of the business intended to be carried on by the company or contracts, other than contracts appointing or fixing the remuneration of a managing director or managing agent, entered into more than two years before the delivery of this statement).	
Time and place at which the contracts or copies thereof may be inspected.	
Names and addresses of the auditors of the company (if any).	
Full particulars of the nature and extent of the interest of every director in the promotion of or in the property proposed to be acquired by the company, or, where the interest of such a director consists in being a partner in a firm, the nature and extent of the interest of the firm, with a statement of all sums paid or agreed to be paid to him or to the firm in cash or shares, or otherwise, by any person either to induce him to become, or to qualify him as, a director, or otherwise for services rendered by him or by the firm in connection with the promotion or formation of the company.	

If it is proposed to acquire any business, the amount, as certified by the persons by whom the accounts of the business have been audited, of the net profits of the business in respect of each of the three financial years immediately preceding the date of this statement provided that in the case of a business which has been carried on for less than three years and the accounts of which have only been made up in respect of two years or one year the above requirement shall have effect as if references to two years or one year, as the case may be, were substituted for references to three years, and in any such case the statement shall say how long the business to be acquired has been carried on.	
Signatures of the persons above-named as directors or proposed directors, or of their agents authorised (in writing).	
Date	

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FORM II.

The Mysore Companies Regulation, 193

STATEMENT IN LIEU OF PROSPECTUS

filed by

.....LIMITED,

pursuant to sub-section (1) of section 154 of the Mysore Companies Regulation, 193 .

Presented for filing by

The nominal share capital of the Company.	Rs. ....
Divided into	Shares of Rs. ..... each. Shares of Rs. ..... each. Shares of Rs. ..... each.
Amount (if any) of above capital which consists of redeemable preference shares.	Shares of Rs. ..... each.
The date on or before which these shares are, or are liable, to be redeemed.	
Names, descriptions and addresses of Directors or proposed Directors and Managers or proposed Managers, and any provision in the Articles, or in any contract, as to appointment of and remuneration payable to Directors or Managers.	
If the share capital of the Company is divided into different classes of shares, the right of voting at meetings of the Company conferred by and the rights in respect of capital and dividends attached to, the several classes of shares respectively.	
Number and amount of shares and debentures issued within the two years preceding the date of this statement as fully or partly paid up otherwise than for cash or agreed to be so issued at the date of this statement.	1. Shares of Rs. fully paid. 2. Shares upon which Rs. ..... per share credited as paid. 3. Debenture Rs. 4. Consideration.

Names and addresses of vendors of property (1) purchased or acquired by the Company within the two years preceding the date of this Statement or (2) agreed or proposed to be purchased or acquired by the Company.	
Amount (in cash, shares or debentures) payable to each separate vendor.	
Amount (if any) paid or payable (in cash or shares or debentures) for any such property specifying amount (if any) paid or payable for goodwill.	Total purchase price ... Rs..... Cash ... Rs..... Shares ... Rs..... Debentures Rs..... Goodwill... Rs.....
Amount (if any) paid or payable as commission for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares or debentures in the Company; or rate of the commission.	Amount paid. Amount payable. Rate per cent.
The number of shares, if any, which persons have agreed for a commission to subscribe absolutely.	
Unless more than two years have elapsed since the date on which the Company was entitled to commence business :— Estimated amount of preliminary expenses. Amount paid or intended to be paid to any promoter. Consideration for the payment.	Rs. Name of promoter. Amount Rs. Consideration.
Dates of, and parties to every material contract (except contracts entered into in the ordinary course of the business intended to be carried on by the Company or contracts, other than contracts appointing or fixing the remuneration of a Managing Director or Managing Agent, entered into more than two years before the delivery of this statement).	

Times and place at which the contracts or copies thereof may be inspected.	
Names and addresses of the Auditors of the Company.	
Full particulars of the nature and extent of the interest of every Director in the promotion of or in the property purchased or acquired by the Company within the two years preceding the date of this statement or proposed to be acquired by the Company or where the interest of such a Director consists in being a partner in a firm, the nature and extent of the interest of the firm, with a statement of all sums paid or agreed to be paid to him or to the firm in cash or shares, or otherwise, by any person either to induce him to become, or to qualify him as, a Director, or otherwise for services rendered by him or by the firm in connection with the promotion of the formation of the Company.	
If it is proposed to acquire any business, the amount, as certified by the persons by whom the accounts of the business have been audited, of the net profits of the business in respect of each of the three financial years immediately preceding the date of this statement provided that in the case of a business which has been carried on for less than three years and the accounts of which have only been made up in respect of two years or one year the above requirement shall have effect as if references to two years or one year, as the case may be, were substituted for references to three years, and in any such case the statement shall say how long the business to be acquired has been carried on.	
(Signatures of the persons abovenamed as Directors or proposed Directors or of their agents authorised in writing.)	

Dated the *day of* ,,

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THE THIRD SCHEDULE.

FORM A.

(See sections 6 and 151.)

Memorandum of Association of a Company Limited by Shares.

1*st.*—The name of the company is "The Eastern Steam Packet Company, Ltd."

2*nd.*—The registered office of the company will be situate in the province of Bombay.

3*rd.*—The objects for which the company is established are "the conveyance of passengers and goods in ships or boats between such places as the company may from time to time determine, and the doing all such other things as are incidental or conducive to the attainment of the above object."

4*th.*—The liability of the members is limited.

5*th.*—The share capital of the company is two hundred thousand rupees, divided into one thousand shares of two hundred rupees each.

We, the several persons whose names and addresses subscribed, are desirous of being formed into a company in pursuance of this memorandum of association, and we respectively agree to take the number of shares in the capital of the company set opposite our respective names.

Names, Addresses and Descriptions of Subscribers	Number of shares taken by each subscriber
1. A. B. of merchant	200
2. C. D. ,, ...	25
3. E. F. ,, ...	30
4. G. H. ,, ...	40
5. I. J. ,, ...	15
6. K. L. ,, ...	5
7. M. N. ,, ...	10
Total shares taken ...	325

Dated the day of 19

Witness to the above signatures.

X. Y., of

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FORM B.

(*See sections 7 and 151*).

Memorandum and Articles of Association of a Company Limited by Guarantee and not having a Share Capital.

MEMORANDUM OF ASSOCIATION.

1st.—The name of the company is "The Mutual Calcutta Marine Association, Limited."

2nd.—The registered office of the company will be situate in Calcutta.

3rd.—The objects for which the company is established are "the mutual insurance of ships belonging to members of the company, and the doing all such other things as are incidental or conducive to the attainment of the above object."

4th.—The liability of the members is limited.

5th.—Every member of the company undertakes to contribute to the assets of the company in the events of its being wound up while he is a member, or within one year afterwards, for payment of the debts and liabilities of the company contracted before he ceases to be a member, and the costs, charges and expenses of winding up and for the adjustment of the rights of the contributories among themselves, such amount as may be required not exceeding one hundred rupees.

We, the several persons whose names and addresses are subscribed, are desirous of being formed into a company in pursuance of this memorandum of association.

Names, Addresses and Descriptions of Subscribers.

"1. A. B. of
"2. C. D. of
"3. E. F. of
"4. G. H. of
"5. I. J. of
"6. K. L. of
"7. M. N. of

Dated the day of

Witness to the above signatures.

X. V. of

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Articles of Association to accompany preceding Memorandum of Association.

Number of Members.

1. The company for the purpose of registration is declared to consist of five hundred members.

2. The directors hereinafter mentioned may, whenever the business or the association requires it, register an increase of members.

Definition of Members.

3. Every person shall be deemed to have agreed to become a member of the company who insures any ship or share in a shop in pursuance of the regulations hereinafter contained.

General Meetings.

4. The first general meeting shall be held at such time, not being less than one month nor more than three months after the incorporation of the company, and at such place, as the directors may determine.

5. A general meeting shall be held once in every year at such time (not being more than fifteen months after the holding of the last preceding general meeting) and place as may be prescribed by the company in general meeting, or, in default, at such time in the month following that in which the anniversary of the company's incorporation occurs, and at such place, as the directors shall appoint in default of a general meeting being so held a general meeting shall be held, in the month next following, and may be called by any two members in the same manner as nearly as possible as that in which meetings are to be called by the directors.

6. The abovementioned general meetings shall be called ordinary meetings; all other general meetings shall be called extraordinary.

7. The directors may, whenever they think fit, and shall, on a requisition made in writing by any five or more members, call an extraordinary general meeting.

8. Any requisition made by the members must state the object of the meeting proposed to be called, and must be signed by the requisitionists and deposited at the registered office of the company.

9. On receipt of the requisition, the directors shall forthwith proceed to call a general meeting: if they do not proceed to cause a meeting to be held within twenty-one days from the date of the requisition being so deposited, the requisitionists or any other five members may themselves call a meeting.

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PROCEEDINGS AT GENERAL MEETINGS.

10. Fourteen days' notice at the least, specifying the place, the day and the hour of meeting, and in case of special business, the general nature of the business, shall be given to the members in manner hereinafter mentioned, or in such other manner (if any) as may be prescribed by the company in general meeting; but the non-receipt of such a notice by any member shall not invalidate the proceedings at any general meeting.

11. All business shall be deemed special that if transacted at an extraordinary meeting, and all that is transacted at an ordinary meeting with the exception of the consideration of the accounts, balance-sheets and the ordinary report of the directors and auditors, the election of directors and other officers in the place of those retiring by rotation, and the fixing of remuneration of the auditors.

12. No business shall be transacted at any meeting except the declaration of a dividend, unless a quorum of members is present at the commencement of the business. The quorum shall be ascertained as follows (that is to say):—if the members of the company at the time of the meeting do not exceed ten in number, the quorum shall be five: if they exceed ten, there shall be added to the above quorum one for every five additional members with this limitation, that no quorum shall in any case exceed ten.

13. If within one hour from the time appointed for the meeting, a quorum of members is not present, the meeting, if called on the requisition of the members, shall be dissolved; in any other case it shall stand adjourned to the same day in the following week at the same time and place; and if at such adjourned meeting a quorum of members is not present, it shall be adjourned *sine die*.

14. The chairman (if any) of the directors shall preside as chairman at every general meeting of the company.

15. If there is no such chairman, or if at any meeting he is not present at the time of holding the same, the members present shall choose some one of their number to be chairman of that meeting.

16. The chairman may, with the consent of the meeting, adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

17. At any general meeting, unless a poll is demanded by at least three members, a declaration by the chairman that a resolution has been carried, and an entry to that effect in the book of proceedings of the company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against the resolution.

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18. If a poll is demanded in manner aforesaid, the same shall be taken in such manner as the chairman directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

VOTES OF MEMBERS.

19. Every member shall have one vote and no more.

20. If any member is a lunatic or idiot, he may vote by his committee or other legal guardian.

21. No member shall be entitled to vote at any meeting unless all moneys due from him to the company have been paid.

22. On a poll, votes may be given either personally or by proxy: Provided that no company shall vote by proxy as long as a resolution of its directors in accordance with the provisions of section 80 of the Mysore Companies Regulation, 193 , is in force. A proxy shall be appointed in writing under the hand of the appointor, or, if such appointor is a corporation under its common seal.

23. (1) No person shall act as a proxy unless he is a member, or unless he is appointed to act at the meeting as proxy for corporation.

(2) The instrument appointing him shall be deposited at the registered office of the company not less than forty-eight hours before the time of holding the meeting at which he proposes to vote.

24. Any instrument appointing a proxy shall be in the following form :—

Company, Limited,

I, of , being a Member of the Company, Limited, hereby appoint of as my proxy, to vote for me and on my behalf at the [ordinary or extraordinary, as the case may be] general meeting of the company to be held on the day of and at any adjournment thereof.

Signed day of

DIRECTORS.

25. The number of the directors and the names of the first directors shall be determined by the subscribers of the memorandum of association.

26. Until directors are appointed, the subscribers of the memorandum of association shall, for all the purposes of the Mysore Companies Regulation, 193 , be deemed to be directors.

POWERS OF DIRECTORS.

27. The business of the company shall be managed by the directors, who may exercise all such powers of the company as are not by the Mysore Companies Regulation, 193 , or by any statutory modification thereof for the time being in force, or by these articles, required to be exercised by the company in general meeting; but no regulation made by the company in general meeting shall invalidate any prior act of the directors which would have been valid if that regulation had not been made.

ELECTIONS OF DIRECTORS.

28. The directors shall be elected annually by the company in general meeting.

BUSINESS OF COMPANY.

(Here insert *rules as to mode in which business of insurance is to be conducted.*)

AUDIT.

29. Auditors shall be appointed and their duties regulated in accordance with sections 144 and 145 of the Mysore Companies Regulation, 193 , or any statutory modification thereof for the time being in force, and for this purpose the said sections shall have effect as if the word "members," were substituted for "shareholders," and as if "first general meeting" were substituted for "statutory meeting."

NOTICES.

30. A notice may be given by the company to any member either personally or by sending it by post to him to his registered address.

31. Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the notice and, unless the contrary is proved, to have been effected at the time at which the letter would be delivered in the ordinary course of post.

Names, Address and Descriptions of Subscribers.

"1. A. B. of
"2. C. D. of
"3. E. F. of
"4. G. H. of
"5. I. J. of
"6. K. L. of
"7. M. N. of

Dated the . . . *day of* . . . *19* . .

Witness to the above signatures.

X. Y., of

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FORM C.

(*See sections 7 and 151.*)

Memorandum and Articles of Association of a Company Limited by Guarantee, and having a Share Capital.

MEMORANDUM OF ASSOCIATION.

1st.—The name of the company is "The Snowy Range Hotel Company, Limited."

2nd.—The registered office of the company will be situate in the

3rd.—The objects for which the company is established are "the facilitating travelling in the Snowy Range, by providing hotels and conveyances by sea and by land for the accommodation of travellers, and the doing all such other things as are incidental or conducive to the attainment of the above object."

4th.—The liability of the members is limited.

5th.—Every member of the company undertakes to contribute to the assets of the company in the event of its being wound up, while he is a member, or within one year afterwards, for payment of the debts and liabilities of the company, contracted before he ceases to be a member, and the cost, charges and expenses of winding up the same and for the adjustment of the rights of the contributories amongst themselves, such amount as may be required, not exceeding fifty rupees.

6th.—The share capital of the company shall consist of five hundred thousand rupees, divided into five thousand shares of one hundred rupees each.

We, the several persons whose names and addresses are subscribed, are desirous of being formed into a company in pursuance of this memorandum of association, and we respectively agree to take the number of shares in the capital of the company set opposite our respective names.

Names, Addresses and Descriptions of Subscribers	Number of shares taken by each Subscriber
"1. A. B. of	200
"2. C. D. of	25
"3. E. F. of	30
"4. G. H. of	40
"5. I. J. of	15
"6. K. L. of	5
"7. M. N. of	10
Total shares taken ...	325

Dated the *day of* *19* .

Witness to the above signatures.

X. Y., of

Articles of Association to accompany preceding Memorandum of Association.

1. The share capital of the company is five hundred thousand rupees, divided into five thousand shares of one hundred rupees each.

2. The directors may, with the sanction of the company in general meeting, reduce the amount of shares in the company.

3. The directors may, with the sanction of the company in general meeting, cancel any shares belonging to the company.

4. All the articles of Table A of the Mysore Companies Regulation, shall be deemed to be incorporated with these atricles and to apply to the company.

Names, Addresses and Descriptions of Subscribers.

"1. A. B. of , merchant.
"2. C. D. of
"3. E. F. of
"4. G. H. of
"5. I. J. of
"6. K. L. of
"7. M. N. of

Dated the day of 19 .

Witness to the above signatures.

X. Y., of

FORM D. 832

(*See sections 8 and 151.*)

Memorandum and Articles of Association of an Unlimited Company having a Share Capital.

MEMORANDUM OF ASSOCIATION.

1*st.*—The name of the company is "The Patent Stereotype Company."

2*nd.*—The registered office of the company will be situate in the

3*rd.*—The objects for which the company is established are "the working of a patent method of founding and casting stereotype plates of which method P.Q., of , is the sole patentee."

We, the several persons whose names are subscribed, are desirous of being formed into a company in pursuance of this memorandum of association, and we respectively agree to take the number of shares in the capital of the company set opposite our respective names.

Names, Addresses and Descriptions of Subscribers	Number of shares taken by such subscriber
"1. A. B. of	3
"2. C. D. of	2
"3. E. F. of	1
"4. G. H. of	2
"5. I. J. of	2
"6. K. L. of	1
"7. M. N. of	1
Total shares taken ...	12

Dated the day of 19

Witness to the above signatures.

X. Y. of

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Articles of Association to accompany the preceding Memorandum of Association.

1. The share capital of the company is twenty thousand rupees, divided into twenty shares of one thousand rupees each.

2. All the articles of Table A of the Mysore Companies Regulation shall be deemed to be incorporated with these articles, and to apply to the company.

Names, Addresses and Descriptions of Subscribers.

"1. A. B. of , merchant.
"2. C. D. of
"3. E. F. of
"4. G. H. of
"5. I. J. of
"6. K. L. of
"7. M. N. of

Dated the day of 19

Witness to the above signatures.

X. Y. of

FORM E.

As required by Part II of the Regulation.

(See section 32.)

Summary of Share Capital and Shares of the Company, Limited, made up to the day of 19 (being the day of the first ordinary general meeting in 19).

Nominal share capital Rs. divided into* } shares of Rs. each. shares of Rs. each.

Total number of shares taken up to the day of 19 which number must agree with the total shown in the list as held by existing members.

Number of shares issued subject to payment wholly in cash.

Number of shares issued as fully paid up otherwise than in cash.

Number of shares issued as partly paid up to the extent of per share otherwise than in cash.

†There has been called up on each—of shares ... ... Rs.

There has been called up on each—of shares ... ... Rs.

There has been called up on each—of shares ... ... Rs.

‡Total amount of calls received, including payments on application and allotment ... ... Rs.

Total amount (if any) agreed to be considered as paid on shares which have been issued as fully paid up otherwise than in cash ... ... Rs.

Total amount (if any) agreed to be considered as paid on shares which have been issued on partly paid up to the extent of per share... ... ... Rs.

Total amount of calls unpaid ... ... Rs.

Total amount (if any) of sums paid by way of commission in respect of shares or debentures or allowed by way of discount since date of last summary ... ... Rs.

Total amount (if any) paid on §shares forfeited ... Rs.

Total amount of shares and stock for which share-warrants are outstanding ... ... Rs.

Total amount of share-warrants issued and surrendered respectively since date of last summary ... .. Rs.

Number of shares or amount of stock comprised in each share-warrant ... ... Rs.

Total amount of debt due from the company in respect of all mortgages and charges which are required to be registered with the registrar under this Regulation ... Rs.

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* When there are shares of different kinds or amounts (*e.g.*, Preference and ordinary or Rs. 100 or Rs. 200), state the numbers and nominal values separately.

† Where various amounts have been called or there are shares of different kinds, state them separately.

‡ Include what has been received or forfeited as well as on existing shares.

§ State the aggregate number of shares forfeited.

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THE THIRD SCHEDULE.

List of persons holding shares in the Company, Limited, on the day of 19 , and of persons who have held shares herein at any time since the date of the last return, showing their names and addresses and an account of the shares so held.

Folio in register ledger containing particulars	Names, addresses and occupations				Account of shares					Remarks
	Name in full	Father's name	Address	Occupation or caste	* Number of shares held by existing members at date of return	§Particulars of shares transferred since the date of the last return by persons who are still members.		§Particulars of shares transferred since the date of the last return by persons who have ceased to be members.		
						Number †	Date of registration of transfer	Number ‡	Date of registration of transfer	

* State the aggregate number of shares forfeited (if any).

† The aggregate number of shares held, and not the distinctive numbers, must be stated and the column must be added up throughout so as to make one total to agree with that stated in the summary to have been taken up.

‡ When the shares are of different classes, these columns may be sub-divided so that the number of each class held or transferred may be shown separately.

§ The date of registration of each transfer should be given as well as the number of shares transferred on each date. The particulars should be placed opposite the name of the transferor and not opposite that of the transferee, but the name of the transferee may be inserted in the remarks column immediately opposite the particulars of each transfer.

Names and addresses of the persons who are the Directors of the Limited, on the day of 19 .

Names	Addresses

Names and addresses of the persons who are the managers of the Limited, on the day of 19 .

Names	Addresses

NOTE.—Banking companies must add a list of all their places of business.

I, , do hereby certify that the above list and summary truly and correctly states the facts as they stood on the day of 19

(Signature)——————————

(State whether director, manager or secretary.)

FORM F.

(*See section 132.*)

....., LIMITED.

Balance Sheet as at..... ....19 .

CAPITAL AND LIABILITIES.	Rs. a. p.	Rs. a. p.
CAPITAL— Authorised Capital.....shares of Rs..... each.		
(Distinguishing between the various classes of capital.) Issued Capital.....shares of Rs..... each.		
(*i*) Shares issued as fully paid up pursuant to any contract without payments being received in cash..... shares of Rs..... each. (*ii*) Shares issued for payments in cash ..... shares of Rs..... each. Subscribed Capital.....shares of Rs..... each.		
Amount called up at Rs.....per share ... *Less*—Calls unpaid— [(*i*) due from Managing Agents ... ... (*ii*) due from others ... ...]		
Add—Forfeited shares (amount paid up) ... *Note.*—Where circumstances permit issued and subscribed capital and amount called up may be shown as one item, *e.g.*, Issued and Subscribed Capital.....Shares of Rs..... each, Rs..... paid up		

PROPERTY AND ASSETS.	Rs. a. p.	Rs. a. p.
FIXED CAPITAL EXPENDITURE— (Distinguishing as far as possible between expenditure upon good will, land, buildings, lease-holds, railway sidings, plant, machinery, furniture, development of property, patents, trade marks and designs, interest paid out of Capital during construction, etc., and stating in every case the original cost and the additions thereto and deductions therefrom during the year, and the total Depreciation written off under each head. Where sums have been written off on a reduction of capital or a re-valuation of assets every balance-sheet after the first balance-sheet subsequent to the reduction or re-valuation shall show the reduced figures, with the date of and the amount of the reduction made.)		
PRELIMINARY EXPENSES		
COMMISSION OR BROKERAGE ... ... (Commission or Brokerage paid for underwriting or placing or subscribing shares or debentures until written off.)		
DISCOUNT ALLOWED on the issue of shares or so much as has not been written off at the date of the balance-sheet. STORES AND SPARE PARTS		

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FORM F—*contd.*

CAPITAL AND LIABILITIES—*contd*	Rs. a. p.	Rs. a. p.
RESERVES		
DEBENTURES stating the nature of security ...		
ANY SINKING FUND		
ANY OTHER FUND CREATED OUT OF NET PROFITS including any development fund.		
ANY PENSION OR INSURANCE FUND		
PROVISION FOR BAD AND DOUBTFUL DEBTS ...		
LOANS—		
(*a*) Secured—		
(*i*) loans on mortgages or fixed assets ...		
(*ii*) loans on debentures		
(*iii*) loans from banks, stating the nature of security		
(*iv*) liabilities to subsidiary companies ...		
(*v*) other secured loans, stating the nature of security.		
(*vi*) interest accrued on mortgages, debentures or other secured loans.		
(*b*) Unsecured—		
(*i*) loans from banks		
(*ii*) fixed deposits		
(*iii*) short-term loans		
(*iv*) advances by directors or managers and managing agents.		
(*v*) interest accruing but not due and interest accrued and due.		
(*vi*) liabilities to subsidiary companies ...		
UNCLAIMED DIVIDENDS		
LIABILITIES—		
For Goods supplied		
,, Expenses		
,, Acceptances		
,, Other Finance		

PROPERTY AND ASSETS—*contd.*	Rs. a. p.	Rs. a. p
LOOSE TOOLS		
LIVE-STOCK AND VEHICLES		
STOCK IN TRADE		
(Stating mode of valuation, *e.g.*, cost or market value.)		
BILLS OF EXCHANGE		
BOOK DEBTS		
(Distinguishing between those considered good and in respect of which the company is fully secured and those considered good for which the company holds no security other than the debtor's personal security, and distinguishing between debts considered good and debts considered doubtful or bad. Debts due by directors or other officers of the company or any of them either severally or jointly with any other persons to be separately stated.)		
ADVANCES		
(Recoverable in cash or in kind or for value to be received, *e.g.*, Rates, Taxes, Insurance, etc., showing separately—		
(*i*) loans given to subsidiary companies ...		
(*ii*) loans including temporary advances made at any time during the year to directors or managers of the company.)		
INVESTMENTS		
(Showing nature of investments and mode of valuation, *e.g.*, Cost or Market value and distinguishing—		
(*i*) investments in Government or trust securities		
(*ii*) investments in shares, debentures or bonds (showing separately shares fully paid up and partly paid up) ...		

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FORM F—*concld.*

CAPITAL AND LIABILITIES—*concld.*	Rs. a. p.	Rs. a. p.
ADVANCE PAYMENTS AND UNEXPIRED DISCOUNTS.		
(For the portion for which value has still to be given, *e.g.*, in the case of the following classes of companies— Newspaper, Fire Insurance, Theatre, Club, Banking, Steamship Companies, etc.)		
PROFIT AND LOSS		
CONTINGENT LIABILITIES—		
Claims against the company not acknowledged as debts.		
Money for which the company is contingently liable. (Showing separately the amount of any guarantees given by the company on behalf of directors or officers of the company.)		
Arrears of Cumulative Preference Dividends ...		

PROPERTY AND ASSETS—*concld.*	Rs. a. p.	Rs. a. p.
(*iii*) investments in shares, debentures or bonds of subsidiary companies		
(*iv*) immovable properties		
INTEREST ACCRUED ON INVESTMENTS ...		
CASH AND OTHER BALANCES		
Amount in hand		
Balances with Agents and Bankers (in detail showing whether on deposit or current account, etc.)		
Profit and Loss		

The information required to be given under any of the items or sub-items in this Form if not included in the Balance-Sheet itself shall be furnished in a separate Schedule or Schedules to be attached to and to form part of the Balance-Sheet.

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FORM G.

(*See section 136.*)

Form of Statement to be published by Banking and Insurance Companies and Deposit, Provident, or Benefit Societies.

* The share capital of the company is Rs. divided into shares of each

The number of shares issued is . Calls to the amount of Rs. per share have been made, under which the sum of Rs. has been received.

The liabilities of the company on the thirty-first day of December (or thirtieth of June) were :—

Debts owing to sundry persons by the company—

Under decree, Rs.
On mortgages or bonds, Rs.
On notes, bill, or hundis, Rs.
On other contracts, Rs.
On estimated liabilities, Rs.

The assets of the company on that day were :—

Government securities [stating them], Rs.
Bills of exchange, hundis and promissory notes, Rs.
Cash at the Bankers, Rs.
Other securities, Rs.

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* If the company has no capital divided into shares, the portion of the statement relating to capital and share must be omitted.

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FORM H.

(*See section 277.*)

Information to be supplied in or in addition to the information contained in the Balance-Sheet of a company referred to in Part X.

Liabilities.

1. Summary of Authorised Share Capital and issued Share Capital.

2. Redeemable Preference Shares, stating date on or before which the shares are or are liable to be redeemed.

3. Debentures stating the nature of Security.

4. Redeemed debentures which the Company has power to re-issue.

5. Loans (*a*) secured, stating the nature of the security;
(*b*) unsecured.

6. Loans from Banks—
(*a*) Secured, stating nature of security,
(*b*) Unsecured.

7. Profit and Loss Account, showing (unless disclosed in a separate account)—
Balance as per previous Balance-Sheet.
Appropriation thereof.
Profit since last Balance-Sheet.

8. Contingent Liabilities.

9. Arrears of Cumulative Preference Dividend.

Assets.

1. Fixed Assets, with sufficient particulars to disclose their general nature, and stating how their values are arrived at.

2. Preliminary expenses, so far as not written off.

3. Any expenses incurred in connection with any issue of Share Capital or Debentures, so far as not written off.

4. If it is shown as a separate item in or is otherwise ascertainable from the books of the Company, or from any contract for the sale or purchase of any property to be acquired ~~by the Company~~, or from any documents in the possession of the Company relating to the stamp duty payable in respect of any such contract or the conveyance of any such property the amount of the goodwill and of any patents and trade markes as so shown or ascertained.

5. Interest paid on Capital, so far as not written off, showing the Share Capital on which and the rate at which interest has been paid out of Capital during the period to which the accounts relate.

6. Discount allowed on Shares issued, so far as not written off.

7. Commission paid or allowed in respect of any shares or debentures, so far as not written off.

8. Loans outstanding to enable employees or trustees on their behalf to purchase shares in the Company.

9. Particulars showing—

(*a*) the amount of any loans which during the period to which the accounts relate have been made either by the Company or by any other person under a guarantee from or on a security provided by the Company to any director or officer of the Company, including any such loans which were repaid during the said period;

and

(*b*) the amount of any loans made in manner aforesaid to any director or officer at any time before the period aforesaid and outstanding at the expiration thereof;

and

(*c*) the total of the amount paid to the directors as remuneration for their services, inclusive of all fees, percentages, or other emoluments, paid to or receivable by them by or from the Company or by or from any subsidiary Company.

Note (1)—There shall not be required to be shown—

(*a*) in the case of a company the ordinary business of which includes the lending of money, loans made by the Company in the ordinary course of its business;

or

(*b*) loans made by the Company to any employee of the Company if the loan does not exceed twenty thousand rupees and is certified by the directors of the Company to have been made in accordance with any practice adopted or about to be adopted by the Company with respect to loans to its employees.

Note (2)—The foregoing shall not apply in relation to a Managing Director of the Company, and in the case of any other director who holds any salaried employment or office in the Company there shall not be required to be included in the said total amount any sums paid to him except sums paid by way of directors' fees.

(Where a company is a holding company then the Balance-Sheet shall disclose the particulars required by section 132 A.)

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THE FOURTH SCHEDULE.

(*See section 290.*)

ENACTMENTS REPEALED.

1	2	3	4
Year	No.	Subject or short title	Extent of repeal
1895	III	The Mysore Companies Regulation, 1895.	So much as has not been repealed.
1917	VIII	The Mysore Companies Regulation, 1917.	So much as has not been repealed.
1923	XVI	The Mysore Companies Amendment Regulation, 1923.	The whole

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Statement of Objects and Reasons.

The Mysore Companies Regulation VIII of 1917 was framed on the model of the Indian Companies Act VII of 1913, as amended by Act XI of 1914. Subsequent amending Acts were passed in British India, from time to time, the last and the most important being the Act XXII of 1936. The principal aim of this Act is to prevent the growth and continuance of companies with insufficient capital and companies guilty of fraudulent trading and to introduce reforms in the system of managing agency which is a feature peculiar to India. It also introduces certain other changes calculated to enable shareholders to have far greater knowledge and far more effective control of the affairs of the companies than they now possess, consistent with the healthy growth and development of joint-stock concerns. It has been found necessary to amend the law in Mysore on similar lines and bring it into conformity with that in British India.

The principal changes proposed are the following.—With a view to discouraging the flotation of companies without adequate capital, it is provided in clause 101 that the minimum subscription on which depends the certificate of commencement of business shall be fixed so as to leave in the hands of the management a reasonable amount of working capital. In the case of the existing companies provision has been made for the maintenance of proper books of accounts and the publication of further details in the balance-sheets and empowering the Registrar to apply to court for winding up of companies which, from their balance-sheets and other documents, are found to be really in insolvent condition.

The law at present does not provide for the books of accounts which must be maintained by a joint-stock company and the result is that the management maintains them as it suits its interests best. This defect is now remedied. Not only are the books of accounts to be maintained prescribed but the Auditor of the Company is required also to certify that the said books have been maintained. The certificate is required to be published along with the balance-sheet and the Auditor empowered to attend the meeting of shareholders, in his own right, to see that all the information which should be placed before them has been so placed.

It is proposed to do away with the insertion of provisions in the Articles of Association, purporting to relieve directors of liability due to their negligence, default or breach of trust, *vide* clause 86-C. The bill introduces restrictions on loans made to to them and provides that any loan made shall be disclosed in the balance-sheet, the form of which has been amended. It also prevents them from holding offices of profit under the company and requires their remuneration to be disclosed.

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The managing agency system formed a difficult problem and the same provisions as have been incorporated in the Indian Act in this respect are proposed to be included here also. The natural life of a managing agency is limited to a term of twenty years and that of a managing agency appointed before the amendment has been fixed at twenty years from the date of commencement of this Regulation if it does not terminate earlier. In the case of new managing agents any provision for additional remuneration except a fixed percentage of profits, with a provision for minimum remuneration in case of inadequacy or absence of profits, would be invalid unless sanctioned by the shareholders. The granting of loans to managing agents has been restricted and other limitations upon their power and control provided for.

In the case of banking companies, it is provided that a certificate of commencement of business shall be issued only after sufficient working capital has been obtained. The maintenance of a reserve fund and a cash reserve is made compulsory. The Bill makes provision for a moratorium to save from liquidation of a banking company in temporary difficulties.

The Registrar has been invested with wider powers of control and supervision, acting on his own motion or on application of a party whose interests have been affected. He is empowered to require explanations, to make enquiries and if necessary, to institute criminal proceedings and even, in certain instances, to apply to Court for the winding up of a company.

Provisions have also been introduced preventing misuse of securities lodged with a company by its employees under their contract of service and safeguarding provident funds and their contributions.

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NOTIFICATIONS.

No. P. 3120—Cts. 100-37-2, dated Bangalore, the 16th December 1937.

In exercise of the power conferred by Sections 269 and 274 of the Code of Criminal Procedure, 1904, Government are pleased to direct that from and after 1st February 1938 until further orders the trial before the Courts of Session of the Mysore and Shimoga Divisions of the offences hereunder setforth and of all abetments of and attempts to commit those offences or any of them and committed in the Districts of Hassan and Chitaldrug shall be by a jury consisting of five persons, *viz.*—

The offences made punishable by Sections 379, 382, 384 to 389, 392 to 395, 397 to 402, 411, 412, 414, 426 to 440 and 447 to 462 of the Indian Penal Code.

The trial of these offences and of abetments and attempts to commit them shall, if the presiding judge so directs, be by jurors summoned from a Special Jury list.

By Order,
B. T. KESAVIENGAR,
Chief Secretary to Government.

No. D. 4436—J. S. 32-36-11, dated Bangalore, the 16—20th December 1937.

In exercise of the powers conferred on them by Section 71(1) of the Mysore Partnership Act VI of 1936, the Government of His Highness the Maharaja are pleased to issue the following rule, the draft rule in the said behalf having been notified with Notification No. D. 2062—J. S. 32-36-7, dated 16th August—1st September 1937, and published at page 231 of Part IV of the *Mysore Gazette*, dated the 9th September 1937.

"The fees which shall accompany documents sent to the Registrar of Firms, or which shall be payable for the inspection of documents in the custody of the Registrar of Firms or for copies from the Registrar of Firms, shall be the maximum fee specified in Schedule I to the Act."

No. D. 4438—*J. S.* 32-36-12, *dated Bangalore,* 16—20*th December* 1937.

In exercise of the powers conferred on them by Section 71 (2) of the Mysore Partnership Act VI of 1936, the Government of His Highness the Maharaja are pleased to issue the following rules, the draft rules in the said behalf having been notified with Notification No. D. 2060—J. S. 32-36-6, dated 30th August—1st September 1937, and published at pages 221-230 of Part IV of the *Mysore Gazette*, dated the 9th September 1937.

APPENDIX.

Any suggestions received after the due date shall not receive consideration.

The Mysore Partnership (Registration of Firms) Rules, 1937.

Short title.

These rules may be called the "Mysore Partnership (Registration of Firms) Rules, 1937."

Definitions.

2. In these rules, unless there is anything repugnant in the subject or context.—

(*a*) The Regulation means the Mysore Partnership Regulation, 1936; and

(*b*) Registrar means the Registrar of Firms.

Form and verification of statements under Sections 58 and 60.

3. The statements submitted to the Registrar under Sections 58 and 60 of the Regulation shall respectively be in Forms I and II annexed to these rules and shal be verified in the manner indicated therein.

Form of intimations and notices under Sectons 61, 62 and 63.

4. Intimations and notices under Sections 61, 62 and 63 (2) of the Regulation shall respectively be in Forms III, IV, V and VI annexed to these rules with such variations as circumstances may require.

Register of Firms.

5. The Register of Firms shall be in Form A annexed to these rules. The name of and the particulars relating to each firm shall be entered therein in the order of its registration on a separate page or pages. Each firm shall be assigned a number in a consecutive series

commencing and ending with the calendar year. A note of every document filed shall be entered in the register in the page or pages allotted to the firm concerned and shall be signed by the Registrar.

Amendment of entries in Register.

6. When an entry made in the Register of Firms is to be amended, the amendment shall be shown by means of a suitable note in the remarks column opposite to the entry concerned, and the new entry shall be made at the end of the existing entry or entries with suitable cross references.

Protest against entries in Register.

7. Where any partner or other person interested makes a protest in writing to the Registrar disputing any entry made in the Register of Firms, the Registrar shall record such protest and make a reference thereto in red ink in the remarks column against the disputed entry.

The Registrar's powers of inquiry and investigation.

8. The Registrar may, in case of dispute, institute such inquiries or make such investigation as may, in his opinion, be necessary for the proper performance of his duties under the Regulation.

Index to Register of Firms.

9. (a) An index to the Register of Firms shall be prepared in English on loose sheets lettered alphabetically and shall contain the particulars shown in Form B annexed to these rules. A fresh index shall be prepared for each calendar year. The name of each firm shall be indexed as soon as the entries relating thereto are made in the Register of Firms.

(b) After all the firms registered in a year have been indexed, the index shall be checked by the Registrar who shall add a certificate in token of such check and the pages shall then be numbered in ink.

(c) The index for each year shall, after it has been checked, be bound into volumes of convenient size.

Acknowledgment of registration and documents.

10. (a) Upon the registration of a firm the Registrar shall grant to the firm an acknowledgment in Form C annexed to these rules and on the filing of any documents required to be filed under the Regulation, he shall grant to the person at whose instance it is filed an acknowledgment in Form D annexed to these rules.

(b) On every document filed under the Regulation, the Registrar shall endorse the following particulars, namely :—

(i) the number borne by the firm on the register,

(ii) the name of the firm,

(iii) the description of the document,
(iv) the serial number of the document, and
(v) the date of filing.

The Registrar shall also affix his signature and the seal of his office to such document.

(c) If there is no space on the document for entering the particulars referred to in sub-rule (b), the entry shall be made on a separate paper which shall be attached to the document and a note of the fact shall be made on the document itself and shall be signed by the Registrar.

Filing of documents.

11. (a) The Registrar shall examine every statement, intimation, notice or other document received by him which is required by the Regulation to be registered, recorded or filed; and if he finds any such statement, intimation, notice or other document to be defective or incomplete in any of the particulars required by the Regulation or these rules, he shall return it to the party or firm tendering it, for due rectification or completion; and until such statement, intimation, notice or other document is so rectified or completed, he shall not register, record or file the same.

(b) No statement, intimation, notice or other document in respect of which a fee is payable shall be registered, recorded or filed by the Registrar until the fee has been paid to him, and the Registrar shall, pending such payment, act as if no such statement, intimation, notice or other document has been tendered for registration, record or filing.

(c) A separate file shall be maintained in respect of each firm, in which all documents relating thereto received from time to time by the Registrar shall be filed.

Account and receipt for fees.

12. An account of all fees received in the Registrar's Office shall be maintained therein.

All fees payable under the Regulation shall be paid either in cash to a Government Treasury or by affixing Mysore Court Fee Stamps.

Inspection of original documents.

13. Any person interested in a firm may, on satisfying the Registrar of such interest and on payment of the prescribed fee, inspect the original document relating to the firm filed with the Registrar.

Application for copies to be in writing.

14. Every application for a copy under Section 67 of the Regulation shall be in writing.

Seal.

15. The seal used by the Registrar shall bear the words "Registrar of Firms, Mysore."

Preservation and elimination of Registers and Records.

16. (*a*) The Register of Firms and the index thereto shall be preserved permanently.

(*b*) All other records, including the statements referred to in Section 58 of the Regulation, may be destroyed.

(i) in the case of a firm which has been dissolved, on the expiry of five years from the date of its dissolution; and

(ii) in the case of a firm which, though not dissolved, has not been transacting business and has not been heard of for a period of not less than seven years, in accordance with and subject to the provisions of sub-rule (*c*).

(*c*) In cases falling under clause (ii) of sub-rule (*b*), the Registrar shall publish in the *Mysore Gazette* and at the same time send by registered post to each of the partners of the firm concerned to his last known address, a notice stating that the records and statements relating to the firm will be destroyed unless cause is shown to the contrary within a period of three months from the date of publication of the notice in the *Mysore Gazette*. If cause is not shown as aforesaid, the records and statements may be destroyed.

Translations to be furnished where original not in English or in Kannada.

17. If any document required to be filed under the Regulation or any portion of such document is not in the English or Kannada languages, an English translation of such document or portion, certified as correct by at least one partner (or his authorised agent) shall be furnished along with each copy of such document or portion.

Office hours.

18. The Office of the Registrar shall be open for business (Sundays and authorised holidays excepted) between the hours of 11 A.M. and 5 P.M.

Administration report.

19. The Registrar shall submit to Government so as to reach them on or before the 1st June in each year, a report on the working of the Regulation, during the year ending the 31st March preceding.

FORM No. I.

(*See Rule* 3.)

Filing fee Rs. 3.

The Mysore Partnership Regulation, 1936.

Application for registration of firm by the name*

Presented or forwarded to the Registrar of Firms for filing by

We, the undersigned being the partners of the firm hereby apply for registration of the said firm and for that purpose supply the following particulars in pursuance of Section 58 of the Mysore Partnership Regulation, 1936 :—

The firm name*	
Places of business	(*a*) Principal place (*b*) Other places

Name of partners in full	Date of joining the firm	Permanent address in full
1.		
2.		

Duration of the firm	

Station

Date

Signature of the partners or their specially authorised agents.

I, son of years of age of religion, do hereby declare that the above statement is true and correct to the best of my knowledge and belief.

Date

Witnesses

Signature.

I, son of years of age of religion, do hereby declare that the above statement is true and correct to the best of my knowledge and belief.

Dated

Witness

Signature.

* Here enter name of firm.

If any partner is a minor the fact whether he is entitled to the benefits of partnership should be set out herein.

N.B.—This form must be signed by all partners or their agents specially authorised in this behalf in the presence of a witness or witnesses who must be either a Gazetted Officer, Advocate, Attorney, Pleader, Honorary Magistrate.

FORM No. II.

(*See Rule* 3.)

Filing fee Re. 1.

The Mysore Partnership Regulation, 1936.

Statement of alteration in the name of the firm or in the location of the principal place of business. Presented or forwarded to the Registrar of firms for filing by

We, the undersigned, being the partners of the firm* hereby supply the following particulars in pursuance of Section 60 (1) of the Mysore Partnership Regulation, 1936 :—

Name of Firm.

Previous name	New name

Principal place of business.

Previous place	New place

Station

Date

Signature of the partners or their specially authorised agents.

I, son of years of age of religion, do hereby declare that the above statement is true and correct to the best of my knowledge and belief.

Date

Witness

Signature.

I, son of years of age of religion, do hereby declare that the above statement is true and correct to the best of my knowledge and belief.

Dated

Witnesses

Signature.

* Here enter the name of the firm.
N.B.—Strike out item not required.

FORM No. III.

(*See Rule* 4.)

Filing fee Re. 1.

The Mysore Partnership Regulation, 1936.

Intimation of change in the place of business (other than principal place of business).

Presented or forwarded by the Registrar of Firms for filing by

Under Section 61 of the Mysore Partnership Regulation, 1936, intimation is herby given that the change specified below has occurred in the place of business of the firm *

Date of change.

(1) The firm has discontinued business at

(2) The firm has begun to carry on business at

Station

Date

Signature of any partner or agent of the firm.

* Here enter name of firm.
N. B.—Strike out items not required.

FORM No. IV.

(*See Rule* 4.)

Filing fee Re. 1.

The Mysore Partnership Regulation, 1936.

Intimation of alteration in the name or permanent address of partner.

Presented or forwarded to the Registrar of Firms for filing by

Under Section 62 of the Mysore Partnership Regulation, 1936, intimation is hereby given that the change specified below has occurred in the name of permanent address of partner in the firm *

Name of Partner.

Previous name (in full)	New name (in full)

Name of Partner.

Previous permanent address (in full)	Present permanent address (in full)

Station

Date

Signature of any partner or agent of the firm.

* Here enter name of firm.
N. B.—Strike out item not required.

FORM No. V.

(*See Rule* 4.)

Filing fee Re. 1.

The Mysore Partnership Regulation, 1936.

Notice of change in the constitution of the firm or of the dissolution of the firm.

Presented or forwarded to the Registrar of firms for filing by

Under Section 63 (1) of the Mysore Partnership Regulation, 1936, notice is hereby given that—

(1) The constitution of the firm * has been altered as follows:—

Name and full address of the in-coming partner and date of his joining the firm	Name and full address of the out-going partner and date of ceasing to be partner

Station
Date

Signature of the in-coming continuing, or the out-going partner or of his specially authorised agent.

(2) The firm* has been dissolved with effect from the

Station
Date

Signature of the person who was a partner immediately before the dissolution or of his specially authorised agent.

* Here enter name of the firm.
N. B.—Strike out item not required.

FORM No. VI.

(*See Rule* 4.)

Filing fee Re. 1.

The Mysore Partnership Regulation, 1936.

Notice of election by person admitted to the benefit of partnership on attaining majority.

Presented or forwarded to the Registrar of Firms for filing by

Under Section 63 (2) of the Mysore Partnership Regulation, 1936, notice is hereby given that admitted to the benefit of partnership in the firm* having now attained majority $\frac{\text{elects to become}}{\text{elects not to become}}$ a partner of the said firm.

Station
Date

Signature of the person electing or of his specially authorised agent.

* Here enter name of firm.

FORM A.

(*See Rule* 5.)

Register of Firms.

(Maintained under Section 59 of the Mysore Partnership Regulation, 1936.)

1. Serial Number of Firm.
2. Name of Firm.
3. Date of registration.
4. Duration of the Firm.
5. Address.

Date of change	Remarks	6. Partners					7. Principal place of business and changes therein		
		Name of the partners	Address	Date of		Remarks	Particulars regarding the place	Date of change	Remarks
				Joining	Ceasing				

8. Other places of business				Name of Firm				Name of Firm			
Name of place	Date of		Remarks	Serial No. of the document	Description of document	Date of filing	Signature of Registrar	Serial No. of the document	Description of document	Date of filing	Signature of the Registrar
	Opening	Ceasing									

FORM B.

(*See Rule* 9.)

Index to the Register of Firms.

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Firm name	Name of partners	Principal place of business	Volume No.	1st page of entry	Number borne on the register
1	2	3	4	5	6

FORM C.

[*See Rule 10* (a).]

ACKNOWLEDGMENT OF REGISTRATION OF FIRM.

The Registrar of Firms, Mysore, hereby acknowledges the receipt of the statement prescribed by Section 58 (1) of the Mysore Partnership Regulation, 1936. The statement has been filed and the name of the firm* has been entered in the Register of Firms.

as No. of 193

Seal

Bangalore City, dated the

day of 193 *Registrar of Firms.*

* Here enter name of firm.

FORM D.

[*See Rule* 10 (a).]

MEMORANDUM ACKNOWLEDGING RECEIPT OF DOCUMENTS.

The Registrar of Firms, Mysore, hereby acknowledges the receipt of the undermentioned document/documents and intimates that it has/they have been filed in pursuance of the Mysore Partnership Regulation, 1936.

Here enter description of document/documents.

Bangalore City.

Dated 193

To

Mr./Messrs. *Registrar of Firms.*

By Order,

M. VENKATANARANAPPA,

Secretary to Government,

Development Department.

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